

# 2014 -- H 8104 SUBSTITUTE A

LC005208/SUB A

## STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO STATUTES AND STATUTORY CONSTRUCTION

Introduced By: Representatives DeSimone, and Newberry

Date Introduced: April 30, 2014

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 3-10-1 and 3-10-5 of the General Laws in Chapter 3-10 entitled  
2 "Taxation of Beverages" are hereby amended to read as follows:

3 **3-10-1. Manufacturing tax rates -- Exemption of religious uses.** -- (a) There shall be  
4 assessed and levied by the tax administrator on all beverages manufactured, rectified, blended, or  
5 reduced for sale in this state a tax of three dollars and thirty cents (\$3.30) on every thirty-one (31)  
6 gallons, and a tax at a like rate for any other quantity or fractional part. On any beverage  
7 manufactured, rectified, blended, or reduced for sale in this state consisting in whole or in part of  
8 wine, whiskey, rum, gin, brandy spirits, ethyl alcohol, or other strong liquors (as distinguished  
9 from beer or other brewery products), the tax to be assessed and levied is as follows:

10 (1) Still wines (whether fortified or not), one dollar and forty cents (\$1.40) per gallon;

11 (2) Still wines (whether fortified or not) made entirely from fruit grown in this state,  
12 thirty cents (\$.30) per gallon;

13 (3) Sparkling wines (whether fortified or not), seventy five cents (\$.75) per gallon;

14 (4) Whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting in whole  
15 or in part of alcohol ~~which~~ that is the product of distillation, five dollars and forty cents (\$5.40)  
16 per gallon, except that whiskey, rum, gin, brandy spirits, cordials, and other beverages consisting  
17 in whole or in part of alcohol ~~which~~ that is the product of distillation but ~~which~~ that contains  
18 alcohol measuring thirty (30) proof or less, one dollar and ten cents (\$1.10) per gallon;

19 (5) Ethyl alcohol to be used for beverage purposes, seven dollars and fifty cents (\$7.50)

1 per gallon; and

2 (6) Ethyl alcohol to be used for nonbeverage purposes, eight cents (\$.08) per gallon.

3 (b) Sacramental wines are not subject to any tax if sold directly to a member of the  
4 clergy for use by the purchaser; or his or her congregation for sacramental or other religious  
5 purposes.

6 (c) A brewer who brews beer in this state ~~which~~ that is actively and directly owned,  
7 managed, and operated by an authorized legal entity ~~which~~ that has owned, managed, and  
8 operated a brewery in this state for at least twelve (12) consecutive months, shall receive a tax  
9 exemption on the first one hundred thousand (100,000) barrels of beer that it produces and  
10 distributes in this state in any calendar year. A barrel of beer is thirty one (31) gallons.

11 **3-10-5. Information supplemental to returns -- Audit of books.** -- (a) The tax  
12 administrator may at any time request further information from any person or from the officers  
13 and employees of any corporation ~~which~~ that he or she may deem necessary to verify, explain, or  
14 correct any return made in pursuance of the provisions of this chapter, and for the like purpose,  
15 the administrator or his or her authorized agent may examine the books of account of that person  
16 or corporation during business hours.

17 (b) Each Class A licensee authorized to sell intoxicating beverages at wholesale or retail  
18 in this state shall file an annual report on or before February 1 with the division of taxation in the  
19 form required by the tax administrator. Such report shall included, but not be limited to, total  
20 sales of alcoholic beverages, sales tax, and excise tax collections on such sales for the  
21 immediately preceding calendar year. Annually, on or before May 1, the tax administrator shall  
22 prepare and submit to the chairs of the house and senate finance committees a report reflecting  
23 data from the ~~annuals~~ annual reports submitted by said licensee to the division of taxation. The  
24 tax administrator's report shall compile total sales of alcoholic beverages, sales tax, and excise tax  
25 collections by county.

26 SECTION 2. Sections 5-20.6-2, 5-20.6-3, 5-20.6-4, 5-20.6-5, 5-20.6-6 and 5-20.6-8 of  
27 the General Laws in Chapter 5-20.6 entitled "Relationships in Residential Real Estate  
28 Transactions" are hereby amended to read as follows:

29 **5-20.6-2. Definitions.** -- As used in this chapter, the following terms shall have the  
30 following meanings:

31 (1) "Affiliated licensee" means a licensed real estate salesperson or real estate broker as  
32 defined in ~~section~~ § 5-20.5-1 associated with a particular principal broker.

33 (2) "Brokerage" means a principal broker as defined in ~~section~~ § 5-20.5-8 and his or her  
34 affiliated licensees.

1 (3) "Buyer" means a person who acquires or seeks to acquire an ownership interest in  
2 real estate.

3 (4) "Client" means a buyer, seller, tenant, or landlord who has agreed to representation  
4 by a licensee in a real estate transaction, evidenced by an executed, mandatory relationship  
5 disclosure, to whom a licensee owes the duties set forth in [section § 5-20.6-5](#).

6 (5) "Client representation contract" means an express, written contract between a  
7 principal broker or his or her affiliated licensees and a client ~~that~~ who authorizes the principal  
8 broker or his or her affiliated licensees to act as a client representative for a buyer, seller,  
9 landlord, or tenant and meets the requirements of [section § 5-20.6-10](#).

10 (6) "Confidential information" means the following information:

11 (i) A ~~buyer~~ buyer's or tenant's willingness to pay more than the offered price;

12 (ii) A ~~seller~~ seller's or landlord's willingness to accept less than the asking price;

13 (iii) A ~~buyer~~ buyer's or tenant's previous offers made to purchase or lease real estate;

14 (iv) A ~~seller~~ seller's or landlord's previous offers received to purchase or lease real estate;

15 (v) Any parties' motivating factors;

16 (vi) Any parties' willingness to agree to other financing terms;

17 (vii) Any facts or suspicions regarding circumstances, other than known, material defects  
18 of a property that a licensee must in all cases disclose, that may psychologically impact or  
19 stigmatize any real estate; or

20 (viii) Any information about a party's assets, liabilities, income, or expenses.

21 (7) "Customer" means a buyer, seller, tenant, or landlord who has agreed to certain  
22 assistance by a licensee in a real estate transaction, evidenced by an executed, mandatory  
23 relationship disclosure, to whom a licensee owes the duties set forth in [section § 5-20.6-4](#).

24 (8) "Designated client representative" means an affiliated licensee appointed by the  
25 principal broker or his or her designee to represent a buyer, seller, tenant, or landlord in a real  
26 estate transaction.

27 The affiliated licensee so designated shall obtain the informed, written consent of the  
28 buyer, seller, tenant, or landlord with a signed mandatory relationship disclosure pursuant to  
29 [section § 5-20.6-8](#).

30 (9) "Designee" means an associate broker as defined in [section § 5-20.5-1](#) whom a  
31 principal broker authorizes to act on his or her behalf.

32 (10) "Director" means the director of business regulation for the state.

33 (11) "Dual facilitator" means a single licensee who, with the prior written consent of  
34 both parties assists a seller client and a buyer client in the same transaction subject to the

1 limitations set forth in ~~section~~ § 5-20.6-6.

2 (12) "Landlord" means a person who leases or attempts to lease his or her ownership  
3 interest in real estate to another person.

4 (13) "Lease" means an express written or oral contract between a landlord and tenant for  
5 the use or occupancy by the tenant of real estate that is owned by another person.

6 (14) "Licensee" means an individual licensed by the director as a real estate broker or  
7 real estate salesperson pursuant to chapter ~~5-20.5~~ 20.5 of this title.

8 (15) "Mandatory relationship disclosure" means a form that describes the relationship  
9 between a consumer and a principal broker and his or her affiliated licensees that meets the  
10 requirements of ~~section~~ § 5-20.6-8.

11 (16) "Ministerial acts" means acts of an administrative nature that licensees perform for  
12 client or customers, including, but not limited to, showing property; preparing offers or  
13 agreements to sell, purchase, exchange, rent, or lease; conveying offers or agreements to the  
14 parties; and providing information and assistance.

15 (17) "Principal broker" means a real estate broker licensed by the director who is  
16 designated by the brokerage to be responsible for the supervision and activities of his or her  
17 affiliated licensees in accordance with this chapter and chapter ~~5-20.5~~ 20.5 of this title.

18 (18) "Real estate" refers to vacant land on which a building is intended to be constructed  
19 for use as one or two (2) residential dwellings or land with physical improvements consisting of a  
20 house and/or structure comprised of four (4) or fewer residential units.

21 (19) "Sales agreement" means an express written contract signed by the buyer and seller  
22 for the purchase and sale of the real estate.

23 (20) "Sell," "sale," or "sold" means a transaction for the transfer of real estate from a  
24 seller to a buyer, including, but not limited to, exchanges of real estate between the seller and  
25 buyer and transactions involving the creation of a sales agreement.

26 (21) "Seller" means a person who sells or attempts to sell an ownership interest in real  
27 estate to another person.

28 (22) "Tenant" means a person who acquired or seeks to acquire an interest in real estate  
29 that entitles him or her to occupy or use a property that is owned by another person.

30 (23) "Transaction coordinator" means a principal broker or his or her designee who  
31 supervises a real estate transaction in a capacity in which one affiliated licensee represents a  
32 buyer or tenant as a designated client representative and another affiliated licensee represents a  
33 seller or landlord as a designated client representative in the same transaction. A transaction  
34 coordinator does not ~~own~~ owe any fiduciary duties to any party in a transaction except the duties

1 to protect the confidential information of the parties and to properly account for money placed in  
2 his or her care.

3 (24) "Transaction facilitator" means a licensee who provides assistance to a buyer, seller,  
4 tenant, or landlord, or both, in a real estate transaction. A transaction facilitator does not owe any  
5 fiduciary duties to any party in a transaction but does owe the duties set forth in [section § 5-20.6-](#)  
6 4.

7 **5-20.6-3. Relationships -- Creation and presumption.** -- (a) It shall be presumed that  
8 all licensees in a real estate transaction are transaction facilitators unless, the licensee obtains the  
9 informed, written consent of a buyer, seller, tenant, or landlord with an executed mandatory  
10 relationship disclosure to represent that person as a designated client representative.

11 (b) The provisions of this chapter are expressly intended to abrogate the common law of  
12 agency; no type of agency representation shall be assumed by a brokerage, principal broker,  
13 licensee, buyer, seller, tenant, or landlord nor shall agency representation be created by  
14 implication.

15 (c) Types of relationships. - The following types of relationships are recognized:

16 (1) Assistance as a transaction facilitator to assist one or more customers; and

17 (2) Representation of a buyer, seller, tenant, or landlord as a designated client  
18 representative.

19 **5-20.6-4. Duties owed by a transaction facilitator to a customer.** -- (a) A transaction  
20 facilitator owes the following duties to a customer:

21 (1) To perform agreed-upon ministerial acts timely and competently;

22 (2) To perform these acts with honesty, good faith, reasonable skill, and care;

23 (3) To properly account for money or property placed in the care and responsibility of  
24 the principal broker; and

25 (4) To protect confidential information when assisting customers as a dual facilitator.

26 (b) A licensee acting as a transaction facilitator does not owe any fiduciary duties to a  
27 customer except those duties specified in [paragraph subsection](#) (a).

28 **5-20.6-5. Duties owed by a designated client representative to client.** -- (a) If an  
29 affiliated licensee is appointed by the principal broker or his or her designee to represent a buyer,  
30 seller, tenant, or landlord in a real estate transaction and obtains the written consent of a buyer,  
31 seller, tenant, or landlord with an executed, mandatory relationship disclosure to represent that  
32 person as a designated client representative, the licensee owes the following legal duties and  
33 obligations to his or her client:

34 (1) To perform the terms of the client representation contract, if any, with reasonable

1 skill and care;

2 (2) To promote the client's best interest in good faith and honesty;

3 (3) To protect the client's confidential information during the relationship and after its  
4 termination;

5 (4) To perform agreed-upon ministerial acts timely and competently;

6 (5) To perform these acts with honesty, good faith, reasonable skill and care; and

7 (6) To properly account for money or property placed in the care and responsibility of  
8 the principal broker.

9 (b) A principal broker or his or her designee may appoint one or more affiliated licensees  
10 to act as the designated client representative(s) of a seller or landlord and one or more affiliated  
11 licensees to act as the designated client representative(s) of a buyer or tenant in the same  
12 transaction; provided, that, all parties to the transaction receive written notice that an inherent  
13 conflict of interest may exist when designated client representatives are affiliated with the same  
14 principal broker.

15 (c) A designated, client representative of a seller client or landlord client shall have no  
16 duty to protect the confidential information of a buyer customer or tenant customer involved in a  
17 transaction with his or her client. Conversely, a designated client representative of a buyer client  
18 or tenant client shall have no duty to protect the confidential information of a seller customer or  
19 landlord customer involved in a transaction with his or her client.

20 (d) In the event that one or more affiliated licensees represent a seller as a designated  
21 client representative and one or more affiliated licensees represent the buyer as a designated client  
22 representative in the same transaction, the principal broker or his or her designee shall act in a  
23 capacity as the transaction coordinator and shall protect the confidential information of all parties  
24 to the transaction and properly account for funds.

25 (e) No affiliated licensees of the principal broker, other than those licensee(s)  
26 specifically designated to represent the client as a designated client representative, shall represent  
27 the client or owe any other duties except that affiliated licensees not appointed to represent a  
28 client in a transaction shall have the duty to protect the client's confidential information.

29 (f) All other affiliated licensees of the principal broker not appointed as a designated  
30 client representative for a party in a real estate transaction may represent another party with  
31 conflicting interests in the same transaction.

32 (g) A designated client representative is exclusively responsible for the performance of  
33 any duties owed to the client.

34 (h) An appointment of a designated, client representative by a principal broker or his or

1 her designee to represent a client shall not limit the principal broker's liability or responsibility for  
2 any breach of duty owed to a client by the designated client representative.

3 **5-20.6-6. Dual facilitator.** -- (a) A licensee may assist both the buyer client and the seller  
4 client or tenant client and landlord client in the same transaction only as a neutral dual facilitator.

5 (b) The dual facilitator relationship between the licensee and buyer and seller, or  
6 between the licensee and tenant client and landlord client, exists solely for the specific transaction  
7 between the parties. In the event the transaction is not completed or fails to close, then the dual  
8 facilitator remains the designated client representative for the respective buyer and the seller or  
9 tenant and landlord in all future, separate transactions where there is no relationship with the  
10 other party.

11 (c) A licensee may be a neutral dual facilitator only after he or she has obtained the  
12 informed, written consent of his or her principal broker and all parties involved in the transaction  
13 before presenting an offer to a seller client on behalf of a buyer client or to a landlord client on  
14 behalf of a tenant client. Such consent shall specifically inform all parties to the transaction of the  
15 following:

16 (1) The dual facilitator is authorized to assist both parties in a transaction but shall be  
17 neutral as to any conflicting interests between the parties to the transaction;

18 (2) A dual facilitator shall owe a duty to protect the confidential information of all  
19 parties and a duty to account for funds;

20 (3) Confidential information obtained by a dual facilitator from either party may not be  
21 disclosed except:

22 (i) If disclosure is expressly authorized;

23 (ii) If such disclosure is required by law;

24 (iii) If such disclosure is intended to prevent illegal conduct; or

25 (iv) If such disclosure is necessary to prosecute a claim against a person represented or to  
26 defend a claim against the licensee. The duty to protect confidential information shall continue  
27 after the completion of the transaction; and

28 (4) If a comparative market analysis was prepared for a seller client or a buyer client and  
29 a dual facilitation situation subsequently arises, the dual facilitator may only provide the  
30 comparative market analysis to the other party with the prior consent of the party for whom it was  
31 initially prepared. A dual facilitator shall not be able to prepare a comparative market analysis for  
32 either party after a dual facilitation situation arises as it may adversely affect one party's  
33 bargaining position relative to the other party.

34 In the event that either the seller client or buyer client in the case of a sale of property, or

1 the landlord client and the tenant client in the case of a rental of property, does not consent to dual  
2 facilitation, then the principal broker or his or her designee, may, with the consent of the  
3 party(ies) withholding consent designate another licensee to represent one of the parties as a  
4 designated client representative.

5 In the event that an affiliated licensee is acting as a dual facilitator, the principal broker  
6 or his or her designee shall act as a transaction coordinator in the transaction and shall protect the  
7 parties' confidential information. In the event that the clients of a principal broker consent to his  
8 or her acting as a disclosed dual facilitator, the principal broker may also oversee the transaction  
9 as a transaction coordinator.

10 **5-20.6-8. Mandatory relationship disclosure.** -- (a) The Rhode Island real estate  
11 commission shall approve a mandatory relationship disclosure that conforms to the requirements  
12 of this section.

13 (b) A licensee shall provide a prospective buyer, seller, tenant, or landlord in a real estate  
14 transaction with a copy of the mandatory relationship disclosure and shall obtain a signed  
15 acknowledgement of receipt from the buyer, seller, tenant, or landlord prior to the disclosure of  
16 any confidential information. If a buyer, seller, tenant, or landlord~~s~~ refuses to sign an  
17 acknowledgement of receipt, the licensee shall set forth, sign~~s~~ and date a written declaration of the  
18 facts of the refusal.

19 (c) The mandatory relationship disclosure shall contain the following information:

20 (1) A list of the types of representation or assistance available to a prospective buyer,  
21 seller, tenant, or landlord consistent with ~~section~~ [§ 5-20.6-3](#);

22 (2) A statement that a principal broker and his or her affiliated licensees must disclose  
23 their relationship as a designated client representative, transaction facilitator, or transaction  
24 coordinator to the buyer, seller, tenant, or landlord in any transaction;

25 (3) The legal duties and obligations owed to the buyer, seller, tenant, or landlord in each  
26 type of relationship as set forth in this chapter and chapter ~~5-20.5~~ [of this title](#);

27 (4) A conspicuous notice that a licensee cannot act as a client representative for a  
28 prospective buyer, seller, tenant, or landlord unless the licensee obtains the informed written  
29 consent of a prospective buyer, seller, tenant, or landlord with a signed mandatory relationship  
30 disclosure;

31 (5) A box for the client or customer to select the type of representation or assistance that  
32 he or she desires;

33 (6) A box for the client or customer to acknowledge the type of representation or  
34 assistance that a real estate licensee is offering to the other party in the same transaction.



1 (7) A statement that a principal broker may designate one or more affiliated licensees to  
2 act as the designated client representative(s) of a seller or landlord and one or more affiliated  
3 licensees to act as the designated client representative(s) of a buyer or tenant in the same  
4 transaction; provided, that the licensee obtains the consent from the client being represented;

5 (8) A statement that, when the principal broker or his or her designee appoints  
6 designated client representatives to represent clients on different sides of a transaction, he or she  
7 shall: (i) act in a neutral capacity as a transaction coordinator; (ii) protect all parties' confidential  
8 information; and (iii) properly account for funds;

9 (9) A statement that all affiliated licensees not appointed as a designated client  
10 representative for the client may represent another party in a transaction with conflicting interests;

11 (10) An explanation of the potential conflicts of interest that exist if a licensee acts for  
12 more than one party in the same transaction;

13 (11) A statement that a principal broker and his or her affiliated licensees must disclose  
14 their relationship as a designated client representative, transaction facilitator, or transaction  
15 coordinator to the buyer, seller, tenant, or landlord in any transaction;

16 (12) A statement that the failure of a licensee to give a prospective buyer, seller, tenant,  
17 or landlord the mandatory relationship disclosure timely, or the failure of a licensee to obtain any  
18 other written consent required by this chapter, shall be a violation of Rhode Island real estate  
19 license law and may subject the licensee to disciplinary action;

20 (13) A statement that if a consumer desires to change the nature of a relationship with a  
21 licensee from a customer relationship to a client relationship that a licensee's relationship with a  
22 buyer, seller, tenant, or landlord as a designated client representative must be established no later  
23 than the preparation of a sales agreement, offer to purchase, or lease; and

24 (14) Written confirmation from each party signing the mandatory relationship disclosure  
25 that he or she has received, read, and understood this mandatory relationship disclosure and has  
26 consented to the relationship confirmed above.

27 (d) In all instances, a licensee's relationship with a buyer, seller, tenant, or landlord as a  
28 designated client representative must be established, and the mandatory relationship disclosure  
29 executed, no later than the preparation of a sales agreement, offer to purchase, or lease.

30 SECTION 3. Sections 5-34-3, 5-34-4, 5-34-7, 5-34-40, 5-34-43, 5-34-44 and 5-34-45 of  
31 the General Laws in Chapter 5-34 entitled "Nurses" are hereby amended to read as follows:

32 **5-34-3. Definitions.** -- As used in this chapter:

33 (1) "Advanced practice registered nurse" (APRN) is the title given to an individual  
34 licensed to practice advanced practice registered nursing within one of the following roles:

1 certified nurse practitioner (CNP), certified registered nurse anesthetist (CRNA) as defined in  
2 chapter ~~5-34.2~~, [34.2 of this title](#), or certified clinical nurse specialist (CNS), and who functions in  
3 a population focus. An APRN may serve as a primary or acute-care provider of record.

4 (2) "Advanced practice registered nursing" means an independent and expanded scope of  
5 nursing in a role and population focus approved by the ~~Board of Nurse Registration and Nursing~~  
6 ~~Education~~ [board of nurse registration and nursing education](#) that includes the registered nurse  
7 scope of practice and may include, but is not limited to, performing acts of advanced assessment,  
8 diagnosing, prescribing and ordering. Each APRN is accountable to patients, the nursing  
9 profession, and the ~~Board of Nursing~~ [board of nursing](#) for complying with the requirements of  
10 this chapter and the quality of advanced nursing care rendered; recognizing limits of knowledge  
11 and experience; planning for the management of situations beyond the APRN's expertise; and for  
12 consulting with or referring patients to other health care providers as appropriate.

13 (3) "Approval" means the process where the board of nursing evaluates and grants  
14 official recognition to basic nursing education programs meeting established criteria and  
15 standards.

16 (4) "Certified nurse practitioner" is an advanced practice nurse utilizing independent  
17 knowledge of physical assessment, diagnosis, and management of health care and illnesses. The  
18 practice includes prescriptive privileges. Certified nurse practitioners are members of the health  
19 care delivery system practicing in areas including, but not limited to: family practice, pediatrics,  
20 adult health care, geriatrics, and women's health care in primary, acute, long-term and critical  
21 care settings in health care facilities and the community. Certified nurse practitioners may be  
22 recognized as the primary care provider or acute-care provider of record.

23 (5) "Certified Clinical Nurse Specialist" is an advanced practice registered nurse ~~that~~  
24 [who](#) independently provides care to clients; facilitates attainment of health goals; and provides  
25 innovation in nursing practice, based on clinical expertise, evidence-based decision-making, and  
26 leadership skills. The clinical nurse specialist practices with individual clients and populations;  
27 nurses, and other multidisciplinary team members and organizations to effect ~~system-wide~~  
28 [systemwide](#) changes to improve programs of care. The practice may include prescriptive  
29 privileges.

30 (6) Certified registered nurse anesthetist is as defined in chapter ~~5-34.2~~ [34.2 of this title](#)  
31 ("Nurse Anesthetist").

32 (7) "Department" means the department of health.

33 (8) "Health" means optimum well-being.

34 (9) "Healthcare" means those services provided to promote the optimum well-being of

1 individuals.

2 (10) "Licensed" means the status of qualified individuals who have completed a  
3 designated process by which the board of nursing grants permission to individuals accountable  
4 and/or responsible for the practice of nursing and to engage in that practice, prohibiting all others  
5 from legally doing so.

6 (11) "Nursing" means the provision of services that are essential to the promotion,  
7 maintenance, and restoration of health throughout the continuum of life. It provides care and  
8 support of individuals and families during periods of wellness, illness, and injury, and  
9 incorporates the appropriate health care plan of care prescribed by a licensed, advanced practice  
10 registered nurse, certified nurse midwife, licensed physician, dentist, or podiatrist. It is a distinct  
11 component of health services. Nursing practice is based on specialized knowledge, judgment, and  
12 nursing skills acquired through educational preparation in nursing and in the biological, physical,  
13 social, and behavioral sciences.

14 (12) "Practical nursing" is practiced by licensed practical nurses (L.P.N.s). It is an  
15 integral part of nursing based on a knowledge and skill level commensurate with education. It  
16 includes promotion, maintenance, and restoration of health and utilizes standardized procedures  
17 leading to predictable outcomes; ~~which~~ that are in accord with the professional nurse regimen  
18 under the direction of a registered nurse. In situations where registered nurses are not employed,  
19 the licensed practical nurse functions under the direction of a licensed physician, dentist,  
20 podiatrist, or other licensed health care providers authorized by law to prescribe. Each L.P.N. is  
21 responsible for the nursing care rendered.

22 (13) "Population foci" means focus of the patient population. Population focus shall  
23 include:

- 24 (i) Family/Individual across the lifespan;
- 25 (ii) Adult-gerontology;
- 26 (iii) Neonatal;
- 27 (iv) Pediatrics;
- 28 (v) Women's health/gender-related; and
- 29 (vi) Psychiatric/mental health.

30 (14) "Professional nursing" is practiced by registered nurses (R.N.s). The practice of  
31 professional nursing is a dynamic process of assessment of an individual's health status;  
32 identification of health care needs; determination of health care goals with the individual and/or  
33 family participation; and the development of a plan of nursing care to achieve these goals.  
34 Nursing actions, including teaching and counseling, are directed toward the promotion,

1 maintenance, and restoration of health and evaluation of the individual's response to nursing  
2 actions and the medical regimen of care. The professional nurse provides care and support of  
3 individuals and families during periods of wellness and injury; and incorporates, where  
4 appropriate, the medical plan of care as prescribed by a licensed physician, dentist, ~~or~~ podiatrist,  
5 or other licensed health care providers authorized by law to prescribe. Each R.N. is directly  
6 accountable and responsible to the consumer for the nursing care rendered.

7 (15) "Psychiatric and mental health nurse clinical specialist" is a certified clinical nurse  
8 specialist working in the population foci of psychiatric/mental health as an advanced practice  
9 nurse utilizing independent knowledge in psychiatric mental health assessment; diagnosis, health  
10 promotion, psychotherapeutic modalities and management of mental health and illnesses. The  
11 practice may include prescription privileges within their scope of practice.

12 **5-34-4. Board of nursing -- Establishment -- Composition -- Appointment, terms,**  
13 **and removal of members -- Director of nurse registration and nursing education. --** (a)

14 Within the division of professional regulation, pursuant to chapter 26 of this title, there is a board  
15 of nurse registration and nursing education, sometimes referred to herein as the "board of  
16 nursing". The board shall be composed of fifteen (15) members. The term of office shall be for  
17 three (3) years. No member shall serve more than two (2) consecutive terms. The member shall  
18 serve until a qualified successor is appointed to serve. In making those appointments, the director  
19 of the department of health shall consider persons suggested by professional nurse organizations  
20 and the practical nurse's association.

21 (b) Present members of the board holding office under the provisions of this chapter  
22 shall serve as members of the board until the expiration of their terms or until qualified successors  
23 are appointed. The fifteen-(15) member board shall include: eleven (11) professional nurses, two  
24 (2) practical nurses appointed by the director of health and approved by the governor, and two (2)  
25 members of the general public appointed by the governor. Three (3) professional nurses shall be  
26 from different basic education programs preparing students to become nurses; one professional  
27 nurse shall be from a nursing service administration; four (4) professional non-administrative,  
28 clinical nurses not licensed as advanced practice nurses; and three (3) professional advanced  
29 practice nurses, one who holds a license as a certified, registered nurse anesthetist, one who holds  
30 a license as a certified, registered nurse practitioner, and one who holds a license as a certified  
31 clinical nurse specialist. No educational program or cooperating agency shall have more than one  
32 representative on the board.

33 (c) The director of health may remove any member from the board for cause including,  
34 but not limited to, neglect of any duty required by law, ~~or~~ incompetence, ~~or~~ unprofessional

1 conduct, or willful misconduct. A member subject to disciplinary proceedings shall be  
2 disqualified from board business until the charge is adjudicated. There shall also be a director of  
3 nurse registration and nursing education appointed by the director of health in accordance with  
4 the provisions of chapter 4 of title 36.

5 **5-34-7. Board of nursing -- General powers.** -- The board of nurse registration and  
6 nursing education is authorized, subject to the approval of the director of the department of  
7 health, to:

8 (1) Adopt, review, or revise rules; and regulations consistent with the law that may be  
9 necessary to effect provisions of the chapter;

10 (2) Approve nursing education programs according to the rules established by the board;

11 (3) Require standards for nursing practice within organized nursing services and the  
12 individual practice of licensees;

13 (4) Approve the examinations for licensure;

14 (5) Establish requirements to validate competence for reinstatement to the active list;

15 (6) Conduct hearings upon charges calling for discipline of a licensee or revocation of a  
16 license;

17 (7) Issue subpoenas to compel the attendance of witnesses ~~at~~ and administer oaths to  
18 persons giving testimony at hearings;

19 (8) Cause the prosecution or enjoinder of all persons violating this chapter;

20 (9) Maintain a record of all its proceedings;

21 (10) Submit an annual report to the director of the department of health;

22 (11) Utilize other persons ~~that~~ who may be necessary to carry on the work of the board;

23 (12) Conduct public hearings, investigations, and studies of nursing practice, nursing  
24 education, and related matters and prepare and issue publications that, in the judgment of the  
25 board, allow the nursing profession to provide safe, effective nursing services to the public;

26 (13) Determine qualifications necessary for prescriptive privileges for advanced practice  
27 registered nurses;

28 (14) Grant prescriptive privileges to advanced practice registered nurses; and

29 (15) [Deleted by P.L. 2013, ch. 83, section 1 and P.L. 2013, ch. 93, section 1];

30 (16) [Deleted by P.L. 2013, ch. 83, section 1 and P.L. 2013, ch. 93, section 1];

31 (17) Adopt criteria for recognizing national certifying bodies for APRN roles and  
32 population foci.

33 **5-34-40. Advanced practice nurse advisory committee.** -- (a) The seven-(7) member  
34 committee consists of two (2) certified nurse practitioners, two (2) certified registered nurse

1 anesthetists, two (2) certified clinical nurse specialists, and one consumer. The director of health  
2 shall appoint the committee. In making appointments to the committee, the director shall consider  
3 persons recommended by professional nurse organizations and professional medical associations.  
4 The professional members of the committee shall be currently engaged in practice. The consumer  
5 members shall be: (1) knowledgeable in consumer health concerns; (2) a resident of the state; (3)  
6 not licensed as a health care practitioner; (4) not a parent, spouse, sibling, or child of a person  
7 licensed as a health care practitioner; and not a student in a professional program; (5) not having a  
8 direct financial interest in health care services; and (6) not a member or an employee of any board  
9 of control of any public or private health care service.

10 (b) Each member appointment shall be for three (3) years, with no member serving more  
11 than two, (2) consecutive, ~~three (3) year~~ three-year (3) terms, except that in making the initial  
12 appointments, the director designates: four (4) members for a term of two (2) years; three (3)  
13 members for a term of ~~three (3) years~~ three (3) years; and the consumer members for ~~three (3)~~  
14 ~~year~~ three-year (3) terms.

15 (c) This committee must meet not fewer than two (2) times per year. The committee has  
16 the following functions:

17 (1) To assess advanced nursing practice for the purpose of improving patient care.

18 (2) (i) To review all complaints regarding advanced practice nurses; and recommend any  
19 and all disciplinary or corrective action that they deem appropriate, including revocation and  
20 suspension of license; upon proof that an advanced practice nurse has:

21 (A) Aided or abetted an uncertified person to practice as an advanced practice nurse;

22 (B) Become addicted to the use of liquor or controlled substances;

23 (C) Negligently, willfully, or intentionally acted in a manner inconsistent with the health  
24 and safety of persons entrusted to his or her care;

25 (D) Had his or her authorization to practice as an advanced practice nurse denied,  
26 revoked, or suspended in another state;

27 (E) Engaged in the performance of medical functions beyond the scope of practice  
28 authorized by the provisions of this chapter;

29 (F) Willfully failed to file or record medical records and reports;

30 (G) Mental incompetence; or

31 (H) Willfully failed to maintain standards established by the nursing profession.

32 (ii) The recommendation shall be submitted to the board of nursing for implementation.

33 (3) To advise periodically ~~to~~ the board of nurse registration and nursing education  
34 regarding advanced nurse practice.

1           **5-34-43. Criminal records review.** -- (a) Notwithstanding any provision of law to the  
2 contrary contained in any general or public law, rule, or regulation, any person seeking a license  
3 to practice under this chapter, or who is previously licensed and authorized to practice under this  
4 chapter and is seeking employment, shall undergo a federal and statewide criminal background  
5 check (BCI); ~~which~~ that shall be processed prior to receiving a license to practice or to enter into  
6 employment.

7           (b) The applicant shall apply to the bureau of criminal identification for a national  
8 criminal records check that shall include fingerprints submitted to the ~~federal bureau of~~  
9 ~~investigation~~ Federal Bureau of Investigation. Upon the discovery of any disqualifying  
10 information, the bureau of criminal identification will inform the applicant in writing of the  
11 nature of the disqualifying information; and, without disclosing the nature of the disqualifying  
12 information, will notify the licensing agency or the potential employer in writing that  
13 disqualifying information has been discovered.

14           (c) The applicant against whom disqualifying information has been found; may request  
15 that a copy of the criminal background report be sent to the licensing agency or the potential  
16 employer. The licensing agency or the potential employer shall make a judgment regarding the  
17 issuing of a license.

18           (d) In those situations in which no disqualifying information has been found, the bureau  
19 of criminal identification shall inform the applicant and the licensing agency or the potential  
20 employer in writing of this fact.

21           (e) It shall be the responsibility of the applicant to pay for the criminal records check.

22           **5-34-44. Advanced practical registered nurses as independent practitioners.** --

23 APRNs are licensed, independent practitioners within standards established or recognized by the  
24 board of nursing. Each APRN is accountable to patients, the nursing profession, and the board of  
25 nursing for:

26           (1) Complying with the requirements of this chapter and the quality of advanced nursing  
27 care rendered;

28           (2) Recognizing limits of knowledge and experience;

29           (3) Planning for the management of situations beyond the APRN's expertise;

30           (4) Consulting with or referring patients to other licensed health care providers as  
31 appropriate.

32           (5) In the case of CRNAs, ~~comply~~ complying with the requirements of chapter ~~5-34.2~~  
33 34.2 of this title of the ~~Rhode Island general laws~~, including ~~subsection~~ § 5-34.2-5(b) regarding  
34 scope of practice. In the case of any conflict between this chapter and chapter ~~5-34.2~~ 34.2 of this



1 [title](#) with regard to the licensure and practice of CRNAs, chapter ~~5-34.2~~ [34.2 of this title](#) shall  
2 control.

3 **5-34-45. Licensure of APRNs.** -- (a) An applicant for initial licensure to practice as an  
4 APRN shall:

5 (1) Submit a completed, written application and appropriate fees as established by the  
6 board of nursing;

7 (2) Hold a current RN license or privilege to practice and shall not hold an encumbered  
8 license or privilege to practice as an RN in any state or territory;

9 (3) Have completed an accredited graduate or post-graduate level APRN program in one  
10 of the three roles (RNP, CRNA, or CNS) and at least one population focus;

11 (4) Be currently certified by a national certifying body recognized by the board of  
12 nursing in the APRN role and population foci appropriate to educational preparation;

13 (5) Report any criminal conviction, nolo contendere plea, Alford plea, or other plea  
14 arrangement in lieu of conviction;

15 (6) Have committed no acts or omissions that are grounds for disciplinary action as set  
16 forth in this chapter; and

17 (7) Provide other evidence as required by regulation.

18 (b) The board of nursing may issue an initial APRN license to clinical nurse specialists  
19 without a certification exam when:

20 (1) A national certification exam does not exist for the current population foci; and

21 (2) The applicant has submitted a portfolio to the board of nursing that includes proof of  
22 graduation; course descriptions; official transcript that includes courses in pharmacology,  
23 pathophysiology and physical assessment; [and](#) letters of recommendation from his/her employer  
24 attesting to the CNS's practice at the advanced-practice level.

25 (c) After January 1, 2015, all clinical nurse specialists seeking initial licensure as an  
26 APRN must meet all the criteria as stated in this chapter, including national certification in a role  
27 and population foci recognized by the board of nursing.

28 (d) The board of nursing may issue a license by endorsement to an APRN licensed under  
29 the laws of another state if, in the opinion of the board of nursing, the applicant meets the  
30 qualifications for licensure in this jurisdiction. An applicant for APRN licensure by endorsement  
31 shall:

32 (1) Submit a completed, written application and appropriate fees as established by the  
33 board of nursing;

34 (2) Hold a current license or privilege to practice as an RN and APRN in a state or



1 territory;

2 (3) ~~Not have~~ Have an ~~encumbered~~ unencumbered license or privilege to practice in any  
3 state or territory;

4 (4) Have completed an accredited graduate or post-graduate level APRN program in one  
5 of the three roles (CNP, CRNA or CNS) and at least one population focus or meets the standards  
6 for grandfathering as described in this chapter;

7 (5) Be currently certified by a national certifying body recognized by the board of  
8 nursing in the APRN role and at least one population focus appropriate to educational  
9 preparation;

10 (6) Meet continued competency requirements as set forth in board of nursing regulations;

11 (7) Report any conviction, nolo contendere plea, Alford plea, or other plea arrangement  
12 in lieu of conviction;

13 (8) Have committed no acts or omissions, ~~which~~ that are grounds for disciplinary action  
14 in another jurisdiction; and

15 (9) Provide other evidence as required by the board of nursing in its regulations.

16 (e) APRN licenses issued under this chapter shall be renewed every two (2) years  
17 according to a schedule established by the board of nursing ~~BON~~. An applicant for APRN license  
18 renewal shall:

19 (1) Submit a renewal application as directed by the board of nursing and remit the  
20 required fee as set forth in regulation;

21 (2) Maintain national certification in the appropriate APRN role and at least one  
22 population focus, authorized by licensure, through an ongoing recertification maintenance  
23 program of a nationally recognized certifying body recognized by the board of nursing; and

24 (3) Meet other requirements set forth in regulations.

25 (f) The board of nursing may reactivate or reinstate an APRN license as set forth in  
26 board of nursing ~~BON~~ regulation.

27 SECTION 4. Sections 6-2-2, 6-2-3, 6-2-4, 6-2-5, 6-2-6, 6-2-8, 6-2-11 and 6-2-13 of the  
28 General Laws in Chapter 6-2 entitled "Registration and Protection of Trademarks" are hereby  
29 amended to read as follows:

30 **6-2-2. Application for registration.** -- (a) Subject to the limitations stated in this chapter,  
31 any person who adopts and uses a mark may file in the office of the secretary of state, on a form  
32 to be furnished by him or her, an application for registration of that mark stating, but not limited  
33 to, the following information:

34 (1) The name and business address of the person applying for the registration, and, if a

1 business corporation, non-profit corporation, limited liability partnership, limited partnership, or  
2 limited liability company, the state of incorporation or formation, as applicable;

3 (2) The goods or services in connection with which the mark is used and the mode or  
4 manner in which the mark is used in connection with the goods or services, and the class in which  
5 the goods or services fall;

6 (3) The date when the mark was first used anywhere and the date when it was first used  
7 in the state by the applicant or his or her predecessor in business; and

8 (4) A statement that the applicant is the owner of the mark and that no other person has  
9 the right to use the mark in the state, either in the identical form of the mark or in such near  
10 resemblance to it as might be calculated to deceive or to be mistaken for it.

11 (b) The application shall be signed and verified by the applicant or by a member of the  
12 firm or an officer of the business corporation non-profit corporation; authorized partner of the  
13 limited liability partnership; general partner of the limited partnership; authorized person of the  
14 limited liability company; or association applying for registration.

15 (c) The application shall be accompanied by a specimen or facsimile of the mark in  
16 triplicate.

17 (d) The application for registration shall be accompanied by a filing fee of fifty dollars  
18 (\$50.00), payable to the secretary of state.

19 **6-2-3. Registrability.** -- No person may register a mark if it:

20 (1) Consists of or comprises immoral, deceptive, or scandalous matter;

21 (2) Consists of or comprises matter ~~which~~ that may disparage or falsely suggest a  
22 connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them  
23 into contempt or disrepute;

24 (3) Consists of or comprises the flag or coat of arms or other insignia of the United  
25 States, or of any state or municipality, or of any foreign nation or any simulation thereof;

26 (4) Consists of or comprises the name, signature, or portrait of any living individual,  
27 except with his or her written consent;

28 (5) When applied to the goods or services of the applicant, is merely descriptive or  
29 deceptively misdescriptive of them; or when applied to the goods or services of the applicant, is  
30 primarily geographically descriptive or deceptively misdescriptive of them; or is primarily  
31 merely a surname. Provided, however, that nothing in this subdivision shall prevent the  
32 registration of a mark used in the state by the applicant ~~which~~ that has become distinctive of the  
33 applicant's goods or services. The secretary of state may accept as evidence that the mark has  
34 become distinctive, as applied to the applicant's goods or services, proof of continuous use as a

1 mark by the applicant in the state or elsewhere for the five (5) years next preceding the date of the  
2 filing of the application for registration; or

3 (6) So resembles a mark registered in the state or a mark or trade name previously used  
4 in the state by another and not abandoned, as to be likely, when applied to the goods or services  
5 of the applicant, to cause confusion or mistake or to deceive.

6 **6-2-4. Certificate of registration.** -- (a) Upon compliance by the applicant with the  
7 requirements of this chapter, the secretary of state shall cause a certificate of registration to be  
8 issued and delivered to the applicant.

9 (b) The certificate of registration shall be issued under the signature of the secretary of  
10 state and the seal of the state; and it shall show the name and business address and, if a business  
11 corporation, non-profit corporation, limited liability partnership, limited partnership or limited  
12 liability company, the state of incorporation, or formation, as applicable, of the person claiming  
13 ownership of the mark; the date claimed for the first use of the mark anywhere and the date  
14 claimed for the first use of the mark in the state; the class of goods or services and a description  
15 of the goods or services on which the mark is used; a reproduction of the mark; the registration  
16 date; and the term of the registration.

17 (c) Any certificate of registration issued by the secretary of state under the provisions of  
18 this section, or a copy of a certificate of registration duly certified by the secretary, shall be  
19 admissible in evidence as competent and sufficient proof of the registration of the mark in any  
20 action or judicial proceedings in any court of the state.

21 (d) Registration of or renewal of a mark provided by this chapter shall be constructive  
22 notice of the registrant's claim of ownership and shall, when introduced in any action, be prima  
23 facie evidence of the registrant's exclusive right to use the registered mark in this state on goods  
24 or services specified in the registration subject to any conditions or limitations stated in the  
25 registration, but shall not preclude an opposing party from proving any legal or equitable defense  
26 or defect ~~which~~ that might have been asserted if the mark had not been registered.

27 **6-2-5. Duration and renewal.** -- (a) Registration of a mark under this chapter shall be  
28 effective for a term of ten (10) years from the date of registration and, upon application filed  
29 within six (6) months prior to the expiration of the term; on a form to be furnished by the  
30 secretary of state, the registration may be renewed for a like term. A renewal fee of fifty dollars  
31 (\$50.00), payable to the secretary of state, shall accompany the application for renewal of the  
32 registration.

33 (b) A mark registration may be renewed for successive periods of ten (10) years in like  
34 manner.

1 (c) The secretary of state shall notify registrants of marks under this chapter of the  
2 necessity of renewal within the year next preceding the expiration of the ten (10) years from the  
3 date of registration; by writing to the last known address of the registrants.

4 (d) All applications for renewals under this chapter, whether of registrations made under  
5 this chapter or of registrations effected under any prior law, shall include a statement that the  
6 mark is still in use in the state.

7 **6-2-6. Assignment.** -- Any mark and its registration under this chapter shall be assignable  
8 with the good will of the business in which the mark is used; or with that part of the good will of  
9 the business connected with the use of and symbolized by the mark. Assignment shall be by  
10 instruments in writing duly executed; and may be recorded with the secretary of state upon the  
11 payment of a fee of twenty dollars (\$20.00) payable to the secretary of state, who, upon recording  
12 of the assignment, shall issue in the name of the assignee a new certificate for the remainder of  
13 the term of the registration or of its last renewal. An assignment of any registration shall be void  
14 as against any subsequent purchaser for valuable consideration without notice, unless it is  
15 recorded with the secretary of state within three (3) months after the date of assignment or prior  
16 to any subsequent purchase.

17 **6-2-8. Cancellation.** -- The secretary of state shall cancel:

18 (1) Any registration ~~concerning which~~ that the secretary of state shall receive concerning  
19 a voluntary request for cancellation from the registrant or the assignee of record;

20 (2) Any registration granted and not renewed in accordance with the provision of this  
21 chapter;

22 (3) Any registration ~~which~~ that the superior court shall find:

23 (i) That the registered mark has been abandoned;

24 (ii) That the registrant is not the owner of the mark;

25 (iii) That the registration was improperly granted;

26 (iv) That the registration was fraudulently obtained; or

27 (v) That the registered mark is so similar, as to be likely to cause confusion or mistake or  
28 to deceive, to a mark registered by another person in the United States patent office, prior to the  
29 date of the filing of the application for registration by the registrant under this chapter, and not  
30 abandoned; provided, however, that should the registrant prove that he or she is the owner of a  
31 concurrent registration of his or her mark in the United States patent office covering an area  
32 including the state, the registration under this chapter shall not be cancelled;

33 (4) Any registration ordered cancelled by the superior court.

34 **6-2-11. Infringement.** -- Subject to the provisions of ~~section~~ § 6-2-14, any person who

1 shall:

2 (1) Use, without consent of the registrant, any reproduction, counterfeit, copy, or  
3 colorable imitation of a mark registered under this chapter in connection with the sale, offering  
4 for sale, or advertising of any goods or services on or in connection with which the use is likely to  
5 cause confusion or mistake or to deceive as to the source of origin of the goods or services; or

6 (2) Reproduce, counterfeit, copy, or colorably imitate any mark and apply the  
7 reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers,  
8 receptacles, or advertisements intended to be used upon or in conjunction with the sale or other  
9 distribution in the state of the goods or services; shall be liable to a civil action by the owner of  
10 the registered mark for any or all of the remedies provided in ~~section §~~ 6-2-13, except that under  
11 this section the registrant shall not be entitled to recover profits or damages unless the acts have  
12 been committed with knowledge that the mark is intended to be used to cause confusion or  
13 mistake or to deceive.

14 **6-2-12. Injury to business reputation -- Dilution.** -- Likelihood of injury to business  
15 reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a  
16 mark valid at common law, or a trade name valid at common law, shall be a ground for injunctive  
17 relief notwithstanding the absence of competition between the parties or the absence of confusion  
18 as to the source of goods or services.

19 **6-2-13. Remedies.** -- Any owner of a mark registered under this chapter may proceed by  
20 suit to enjoin the manufacture, use, display, or sale of any counterfeits or imitations, and the  
21 superior court may grant injunctions to restrain the manufacture, use, display, or sale as may be  
22 deemed just and reasonable by the court, and may require the defendants to pay to the owner all  
23 profits derived from and all damages suffered by reason of the wrongful manufacture, use,  
24 display, or sale; and the court may also order that any counterfeits or imitations in the possession  
25 or under the control of any defendant in the case, be delivered to an officer of the court, or to the  
26 complainant, to be destroyed.

27 SECTION 5. Sections 6-9-1, 6-9-2, 6-9-3 and 6-9-4 of the General Laws in Chapter 6-9  
28 entitled "Sale of Oils" are hereby repealed.

29 ~~**6-9-1. "Spermaceti oil" defined.** -- All oils sold under the names of sperm, spermaceti,  
30 lamp, summer, fall, winter, and second winter oils are deemed pure winter pressed or summer-  
31 strained spermaceti oil.~~

32 ~~**6-9-2. Liability for sale of adulterated oil for spermaceti.** -- All oils sold under the  
33 names mentioned in section 6-9-1 which are adulterated with whale, lard, or any other oil of less  
34 value than pure spermaceti oil, shall be deemed whale oil; and the vendor shall be liable to the~~

1 ~~purchaser for double the amount of the difference in value between pure spermaceti oil and whale~~  
2 ~~oil, whenever the quantity sold exceeds five (5) gallons, and four (4) times the difference~~  
3 ~~whenever the quantity is less than five (5) gallons, unless the proportions of the respective oils are~~  
4 ~~disclosed to the purchaser at the time of sale.~~

5 ~~**6-9-3. Forfeiture for sale of adulterated oil without disclosure.** -- Every person who~~  
6 ~~shall sell any oil commonly known under the names of sperm, spermaceti, lamp, summer, fall,~~  
7 ~~winter, and second winter oils, which have been adulterated from pure spermaceti oil by a~~  
8 ~~mixture of whale, lard, or any other inferior oil, and shall not disclose to the purchaser the~~  
9 ~~proportions of the oils of which it consists at the time of sale, in the manner prescribed in section~~  
10 ~~6-9-2, shall for each offense forfeit twenty five dollars (\$25.00) to the use of the person suing for~~  
11 ~~disclosure.~~

12 ~~**6-9-4. Liability for undisclosed sale of tight pressed oil.** -- All oils sold under any of~~  
13 ~~the names mentioned in section 6-9-3 which shall have been mixed with tight pressed oil, shall be~~  
14 ~~deemed tight pressed oil; and the vendor of tight pressed oil or of tight pressed oil under any of~~  
15 ~~the names mentioned in section 6-9-1 shall be liable to the purchaser for double the value of the~~  
16 ~~difference between the first quality of spermaceti oil and tight pressed oil, unless at the time of~~  
17 ~~sale the vendor shall disclose to the purchaser the mixture, and if not mixed, its quality; and if~~  
18 ~~disclosure shall not be made the vendor shall forfeit twenty five dollars (\$25.00) to the use of the~~  
19 ~~person suing for disclosure.~~

20 SECTION 6. Sections 6-10-2, 6-10-3 and 6-10-6 of the General Laws in Chapter 6-10  
21 entitled "Labeling of Thread" are hereby amended to read as follows:

22 **6-10-2. Length of small units to be shown -- Bobbins -- Packages for household use. -**

23 ~~±~~ When the net weight of the thread in or on any unit is less than two (2) ounces avoirdupois, the  
24 unit shall be marked to show the length of the thread in yards as unwound from the unit. Ready-  
25 wound bobbins ~~which~~ [that](#) are not sold separately shall not be required to be individually marked,  
26 but the package containing the bobbins shall be marked to show the number of bobbins contained  
27 in the package and the net weight or measure of the thread on each bobbin. Any retail unit of  
28 thread, sold only for household use, consisting of a package containing two (2) or more similar  
29 individual units, ~~which~~ [that](#) are not sold separately, shall be marked to show the number of  
30 individual units in the package and the net weight or measure of the thread in each individual  
31 unit, but this provision shall not apply where the individual units are separately marked.

32 **6-10-3. Identification of manufacturer or distributor. --** The marking required by this

33 chapter shall in all cases be in combination with the name and place of business of the  
34 manufacturer or distributor of the thread, or a trademark, symbol, brand, or other mark ~~which~~ [that](#)

1 positively identifies the manufacturer or distributor and which shall be filed with the state sealer  
2 of weights and measures in the state department of labor and training.

3 **6-10-6. Penalty for violations.** -- Any person, firm, or corporation who willfully violates  
4 any of the provisions of this chapter shall be guilty of a misdemeanor; and shall upon conviction  
5 be punished by a fine of not more than fifty dollars (\$50.00) for each separate offense.

6 SECTION 7. Sections 6-11-2, 6-11-3, 6-11-4, 6-11-5 and 6-11-7 of the General Laws in  
7 Chapter 6-11 entitled "Gold and Silver Products" are hereby amended to read as follows:

8 **6-11-2. Labeling of gold plate, filled, and rolled products.** -- Any person, firm,  
9 corporation, or association who or ~~which~~ that makes for sale or sells, or offers to sell or dispose  
10 of, or has in his, her, or its possession with intent to sell or dispose of, any article of merchandise  
11 made in whole or in part of inferior metal having deposited or plated on the article or brazed or  
12 otherwise affixed to it a plate, plating, covering, or sheet of gold or of any alloy of gold, and  
13 ~~which~~ the article is known in the market as "rolled gold plate;"<sub>1</sub> "gold plate;"<sub>1</sub> "gold filled;"<sub>1</sub> or  
14 "gold electroplate;"<sub>1</sub> or by any similar designation, and having stamped, branded, engraved, or  
15 imprinted upon any part of the article, or upon any tag, card, or label attached to it, or upon any  
16 box, package, cover, or wrapper in which the article is encased or enclosed, any word or mark  
17 usually employed to indicate the fineness of gold, unless that word is accompanied by other  
18 words plainly indicating that the article or some part of the article is made of rolled gold plate, or  
19 gold plate or gold electroplate, or is gold filled, as the case may be, is guilty of a misdemeanor.

20 **6-11-3. Sterling silver.** -- Any person, firm, corporation, or association who or ~~which~~  
21 that makes for sale or sells, or offers to sell or dispose of, or has in his, her, or its possession with  
22 intent to sell or dispose of, any article of merchandise made in whole or in part of silver or of any  
23 alloy of silver, and having marked, stamped, branded, engraved, or imprinted upon any part of the  
24 article, or upon any tag, card, or label attached to it, or upon any box, package, cover, or wrapper  
25 in which the article is encased or enclosed, the words "sterling silver" or "sterling," or any  
26 colorable imitation thereof, unless nine hundred twenty-five one-thousandths (925/1000) of the  
27 component parts of the metal appearing or purporting to be silver of which the article is  
28 manufactured are pure silver, subject to the qualifications prescribed by this chapter, is guilty of a  
29 misdemeanor; provided, that in the case of all articles<sub>2</sub>, there shall be allowed a divergence in  
30 fineness of four one-thousandths (4/1000) parts from the previously mentioned standard.

31 **6-11-4. Coin silver.** -- Any person, firm, corporation, or association who or ~~which~~ that  
32 makes for sale or sells, or offers to sell<sub>2</sub>, or dispose of, or has in his, her, or its possession with  
33 intent to sell or dispose of, any article of merchandise made in whole or in part of silver or of any  
34 alloy of silver, and having marked, stamped, branded, engraved, or imprinted upon any part of the



1 article, or upon any tag, card, or label attached to it, or upon any box, package, cover, or wrapper  
2 in which the article is encased or enclosed, the words "coin" or "coin silver," or any colorable  
3 imitation thereof, unless nine hundred one-thousandths (900/1000) of the component parts of the  
4 metal appearing or purporting to be silver of which the article is manufactured are pure silver,  
5 subject to the qualifications prescribed by this chapter, is guilty of a misdemeanor; provided, that  
6 in the case of all articles, there shall be allowed a divergence in fineness of four one-thousandths  
7 (4/1000) parts from the previously mentioned standards.

8 **6-11-5. Labeling as to fineness of silver products.** -- Any person, firm, corporation, or  
9 association who or ~~which~~ that makes for sale or sells, or offers to sell, or dispose of, or has in his,  
10 her, or its possession with intent to sell or dispose of, any article of merchandise made in whole or  
11 in part of silver or of any alloy of silver, and having stamped, branded, engraved, or imprinted  
12 upon any part of the article, or upon any tag, card, or label attached to it, or upon any box,  
13 package, cover, or wrapper in which the article is encased or enclosed, any mark or word (other  
14 than the word "sterling" or the word "coin") indicating, or designed or intended to indicate, that  
15 the silver or alloy of silver in the article is of greater degree of fineness than the actual fineness or  
16 quality of the silver or alloy, unless the actual fineness of the silver or alloy of silver of which the  
17 article is composed is not less by more than four one-thousandths (4/1000) parts than the actual  
18 fineness indicated by the mark or word (other than the word "sterling" or "coin") stamped,  
19 branded, engraved, or imprinted upon any part of the article or upon any tag, card, or label  
20 attached to it, or upon any box, package, cover, or wrapper in which the article is encased or  
21 enclosed, subject to the qualifications prescribed in this chapter, is guilty of a misdemeanor.

22 **6-11-7. Labeling of silver plated products as sterling or coin silver.** -- Any person,  
23 firm, corporation, or association who or ~~which~~ that makes for sale or sells, or offers to sell or  
24 dispose of, or has in his, her, or its possession with intent to sell or dispose of, any article of  
25 merchandise made in whole or in part of inferior metal having deposited or plated on it or brazed  
26 or otherwise affixed to it a plate, plating, covering, or sheet of silver or of any alloy of silver, and  
27 which article is known in the market as "silver plate" or "silver electroplate," or by any similar  
28 designation, and having stamped, branded, engraved, or imprinted upon any part of the article, or  
29 upon any tag, card, or label attached to it, or upon any box, package, cover, or wrapper in which  
30 the article is encased or enclosed, the word, "sterling" or the word "coin," either alone or in  
31 conjunction with any other words or marks, is guilty of a misdemeanor.

32 SECTION 8. Sections 6-11.1-1, 6-11.1-2, 6-11.1-3, 6-11.1-4, 6-11.1-5, 6-11.1-6, 6-11.1-  
33 7, 6-11.1-9, 6-11.1-10 and 6-11.1-13 of the General Laws in Chapter 6-11.1 entitled "Purchase  
34 and Sale of Precious Metals" are hereby amended to read as follows:



1           **6-11.1-1. License required -- "Person" defined.** -- (a) No person, including a  
2 pawnbroker, consignment shop, or salvage yard operator or second-hand dealer, as defined in  
3 ~~section §~~ 5-21-1, shall engage in the business of buying or receiving for the purpose of selling:  
4 gold, silver, platinum group metals, or precious stones, or any articles containing those items,  
5 including catalytic converters, other than coins purchased for their numismatic value rather than  
6 their metal content, referred to in this chapter as "precious metals"; from the general public for  
7 the purpose of reselling the precious metals in any condition without first obtaining a license from  
8 the attorney general of the state of Rhode Island, also called "the attorney general" in this chapter.  
9 The attorney general shall not issue any license to a person who has not registered a permanent  
10 place of business within the state for the purchase or sale of precious metals. The criteria for  
11 determining a person's permanent place of business shall be formulated by the attorney general  
12 immediately on or after July 1, 1981.

13           (b) The word "person," when used in this chapter, shall include individuals, partnerships,  
14 associations, and corporations.

15           (c) This chapter shall not apply to any financial institution ~~which~~ that is covered by  
16 federal or state deposit insurance, nor to jewelry and silverware manufacturers purchasing  
17 precious metals directly from trade suppliers.

18           (d) The word "catalytic converter" when used in this chapter shall be defined as an air  
19 pollution abatement device that removes pollutants from motor vehicle exhaust, either by  
20 oxidizing them into carbon dioxide and water or reducing them to nitrogen.

21           **6-11.1-2. Application for license -- Annual fee -- Attorney general to promulgate**  
22 **rules and regulations. [Effective December 31, 2013.]** -- (a) Application for the license shall be  
23 in writing, under oath, and in the form prescribed by the attorney general and shall contain the  
24 name and the address (both of the residence and place of business) of the applicant, and if the  
25 applicant is a partnership or association, of every member, and if a corporation, of each officer  
26 and director and of the principal owner or owners of the issued and outstanding capital stock; also  
27 the city or town with the street and number where the business is to be conducted; and any further  
28 information that the attorney general may require.

29           (b) After receipt of an application for a license, the attorney general shall conduct an  
30 investigation to determine whether the facts presented in the application are true. The attorney  
31 general may also request a record search and a report from the ~~national crime and information~~  
32 ~~center~~ National Crime and Information Center (NCIC) of the ~~federal bureau of investigation~~  
33 Federal Bureau of Investigation. If the application discloses that the applicant has a disqualifying  
34 criminal record, or if the investigation indicates that any of the facts presented in the application

1 are not true; or if the records of the department of the attorney general indicate criminal activity  
2 on the part of the person signing the application and any other persons named in the application;  
3 or if the NCIC report indicates an outstanding warrant for the person signing the application and  
4 any other persons named in the application; then the attorney general may initiate a nationwide  
5 criminal records check that shall include fingerprints submitted to the ~~federal bureau of~~  
6 ~~investigation~~ Federal Bureau of Investigation regarding the person signing the application and  
7 any other persons named in the application. Upon the annual renewal of a license or the opening  
8 of a new branch designated in the license, the attorney general may initiate a nationwide criminal  
9 records check that shall include fingerprints submitted to the ~~federal bureau of investigation~~  
10 Federal Bureau of Investigation regarding the licensee and any other persons named in the  
11 license. The individual who is subject to the national records check shall be responsible for the  
12 cost of conducting such check.

13 (c) The applicant at the time of making his or her initial application only shall pay to the  
14 attorney general the sum of fifty dollars (\$50.00) as a fee for investigating the application and the  
15 additional sum of fifty dollars (\$50.00) shall be paid annually. The licensee shall pay an  
16 additional fifty dollars (\$50.00) annually for each branch designated in the license. Licenses shall  
17 not be assignable or transferable to any other person or entity.

18 **6-11.1-3. Identification and authority of seller -- Posting of prices -- Weighing.** -- (a)  
19 Every person required to be licensed under this chapter shall require positive proof of  
20 identification with photograph, date of birth, and current address of every seller from whom  
21 precious metals or an article made from or containing a precious metal is to be purchased and  
22 shall require the seller to sign a statement on a form to be approved by the attorney general stating  
23 that the seller is the legal owner of the property or is the agent of the owner authorized to sell the  
24 property, and when and where or in what manner the property was obtained.

25 (b) Every person required to be licensed under this chapter shall, before purchasing any  
26 precious metal or article made from or containing a precious metal, shall require the seller, if a  
27 minor, to be accompanied by the parent or legal guardian of the minor.

28 (c) Every person required to be licensed under this chapter shall post the prices per ounce  
29 that are currently being paid for precious metals in full sight of the prospective seller and the  
30 precious metals shall be weighed in full sight of the prospective seller.

31 **6-11.1-4. Record of transactions required -- Reports to police. [Effective December**  
32 **31, 2013.]** -- (a) Every person licensed under this chapter shall keep a copy of the report form  
33 obtained from or under the direction of the attorney general, containing a comprehensive record  
34 of all transactions concerning precious metals including catalytic converters. The comprehensive

1 record shall be hand printed legibly or typed. The record shall include the name, address,  
2 telephone number and date of birth of the seller; a complete and accurate description of the  
3 property purchased or sold including any serial numbers or other identifying marks or symbols;  
4 and the date and hour of the transaction.

5 (b) All persons licensed under this chapter shall deliver or mail weekly to the chief of  
6 police of the city or town in which the business is located and electronically submit to the  
7 attorney general, in a manner specified by the attorney general, all report forms from the  
8 preceding seven-day (7) period.

9 (c) Every person licensed under this chapter shall retain a copy of the report form for a  
10 period of one year from the date of the sale stated on the form.

11 ~~6-11.1-5. Fourteen-day holding period -- Recovery of stolen property -- Return to~~  
12 ~~rightful owner. [Effective December 31, 2013.]~~ **Fourteen-day holding period -- Recovery of**  
13 **stolen property -- Return to rightful owner. [Effective December 31, 2013.]** -- (a) All persons

14 licensed under this chapter shall retain in their possession in an unaltered condition for a period of  
15 fourteen (14) days all precious metals or articles made from or containing a precious metal,  
16 including catalytic converters, except items of bullion, including coins, bars, and medallions,  
17 ~~which~~ that do not contain serial numbers or other identifying marks. The fourteen ~~(14)-day~~ -day  
18 (14) holding period shall commence with the date the report of its acquisition was delivered to or  
19 received by the chief of police or the attorney general, whichever is later. The records so received  
20 by the chief of police and the attorney general shall be available for inspection only by law  
21 enforcement officers for law enforcement purposes. If the chief of police has probable cause that  
22 precious metals or an article made from or containing a precious metal has been stolen, he or she  
23 may give notice, in writing, to the person licensed, to retain the metal or article for an additional  
24 period of fifteen (15) days, and the person shall retain the property for this additional fifteen ~~(15)~~  
25 ~~day~~ -day (15) period, unless the notice is recalled, in writing, within the fifteen ~~(15)-day~~ -day (15)  
26 ~~period.~~ ~~within~~ Within the fifteen ~~(15)-day~~ -day (15) period the chief of police, or his or her  
27 designee, shall designate, in writing, an officer to secure the property alleged to be stolen and the  
28 persons in possession of the property shall deliver the property to the officer upon display of the  
29 officer's written designation by the chief of police or his or her designee. Upon receipt of the  
30 property from the officer, the clerk or person in charge of the storage of alleged stolen property  
31 for a police department shall enter into a book a description of every article of property alleged to  
32 be stolen ~~which~~ that was brought to the police department and shall attach a number to each  
33 article. The clerk or person in charge of the storage of alleged stolen property shall deliver the  
34 property to the owner of the property upon satisfactory proof of ownership, without any cost to

1 the owner, provided that the following steps are followed:

2 (1) A complete photographic record of the property is made;

3 (2) A signed declaration of ownership under penalty of perjury is obtained from the  
4 person to whom the property is delivered;

5 (3) The person from whom the custody of the property was taken is served with written  
6 notice of the claim of ownership and is given ten (10) days from the mailing of the notice to file a  
7 petition in district court objecting to the delivery of the property to the person claiming  
8 ownership. If a petition is filed in a timely manner, the district court shall, at a hearing, determine  
9 by a preponderance of the evidence that the property was stolen and that the person claiming  
10 ownership of the property is the true owner. The decision of the district court may only be  
11 appealable by writ of certiorari to the supreme court.

12 (b) The clerk or person in charge of the storage of alleged stolen property shall not be  
13 liable for damages for any official act performed in good faith in the course of carrying out the  
14 provisions of this section. The photographic record of the alleged stolen property shall be allowed  
15 to be introduced as evidence in any court of this state in place of the actual alleged stolen  
16 property; provided that the clerk in charge of the storage of the alleged stolen property shall take  
17 photographs of the property; and those photographs shall be tagged and marked and remain in his  
18 possession or control.

19 **6-11.1-6. Persons injured by violations of chapter -- Damages and costs.** -- Any  
20 person who has been damaged or injured by the failure of a person required to be licensed under  
21 this chapter to comply with the provisions of this chapter; may recover the actual damages  
22 sustained. The court, in its discretion, may also award punitive damages and/or the costs of suit  
23 and reasonable attorneys' fees to a prevailing plaintiff.

24 **6-11.1-7. Penalties.** -- (a) Every person who shall violate the provisions of this chapter  
25 shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars (\$500) or  
26 imprisoned for not more than one year, or both.

27 (b) If the value of the property involved in a transaction ~~which~~ that is in violation of this  
28 chapter exceeds five hundred dollars (\$500), a person convicted of a violation shall be fined not  
29 more than two thousand dollars (\$2,000) or imprisoned for not more than three (3) years or both.

30 (c) The attorney general shall have the authority to suspend the license of any person  
31 required to be licensed under this chapter as a result of violations of this chapter or attorney  
32 general regulations leading to penalties under this chapter.

33 **6-11.1-9. Refusal to issue license.** -- The attorney general shall refuse to issue a license  
34 when the attorney general has found that the application for the license contains a false

1 representation of a material fact; when investigation reveals that the person applying for the  
2 license has previously been guilty of a violation of this chapter or has been a partner of a  
3 partnership, member of an association, or an officer or director of a corporation ~~which~~ that has  
4 previously been guilty of a violation of this chapter; or has a disqualifying criminal record as  
5 defined in ~~section~~ § 6-11.1-13. The attorney general may, in his or her discretion, issue a license  
6 if the disqualifying criminal record is more than ten (10) years old.

7 **6-11.1-10. Suspension, revocation, and nonrenewal of license.** -- The attorney general,  
8 upon his or her own motion or upon receipt of a signed, written complaint ~~which alleges~~ alleging  
9 violations of this chapter or of the rules and regulations promulgated pursuant to this chapter,  
10 may, after a hearing, suspend, revoke, or refuse to renew any license issued pursuant to this  
11 chapter.

12 **6-11.1-13. Disqualifying criminal records -- Employees or agents of licensee.** -- A  
13 licensee convicted in a court of this state, a court of another state, or in a federal court, of a felony  
14 charge of forgery; embezzlement; obtaining money under false pretenses; bribery; larceny;  
15 extortion; conspiracy to defraud; receiving stolen goods; burglary; breaking and entering; or  
16 any similar offense or offenses; or tax evasion associated with the conduct of business under a  
17 license issued pursuant to this chapter; shall forfeit his or her license. Prior to forfeiture of the  
18 license, the licensee may request a hearing on the forfeiture. The attorney general, when so  
19 requested, shall hold a hearing. No licensee shall employ or engage any person as an employee or  
20 agent while engaging in the business of trading in precious metals who has been convicted of any  
21 of the offenses as they are described in this section and which shall be deemed to be a  
22 disqualifying criminal record.

23 SECTION 9. Sections 6-13-1, 6-13-2, 6-13-2.1, 6-13-3, 6-13-4, 6-13-5, 6-13-6, 6-13-11,  
24 6-13-12, 6-13-12.1, 6-13-16, 6-13-18, 6-13-19, 6-13-20 and 6-13-21 of the General Laws in  
25 Chapter 6-13 entitled "Unfair Sales Practices" are hereby amended to read as follows:

26 **6-13-1. Definitions.** -- (a) "Cost to the retailer" means the invoice cost of the  
27 merchandise to the retailer within thirty (30) days prior to the date of the sale, or the replacement  
28 cost of the merchandise to the retailer within thirty (30) days prior to the date of the sale, in the  
29 quantity last purchased, whichever is lower; less all trade discounts except customary discounts  
30 for cash; to which shall be added:

31 (1) Freight charges not otherwise included in the cost of the merchandise;

32 (2) Cartage to the retail outlet if performed or paid for by the retailer, which cartage cost  
33 shall be deemed to be three-fourths of one percent (0.75%) of the cost of the merchandise to the  
34 retailer, unless the retailer claims and proves a lower cartage cost; and

1 (3) A markup to cover in part the cost of doing business, which markup, in the absence  
2 of proof of a lesser cost, shall be six percent (6%) of the total cost at the retail outlet.

3 (b) "Cost to the wholesaler" means the invoice cost of the merchandise to the wholesaler  
4 within thirty (30) days prior to the date of the sale, or the replacement cost of the merchandise to  
5 the wholesaler within thirty (30) days prior to the date of the sale, in the quantity last purchased,  
6 whichever is lower; less all trade discounts except customary discounts for cash; to which shall be  
7 added:

8 (1) Freight charges not otherwise included in the cost of the merchandise; ~~and~~

9 (2) Cartage to the retail outlet if performed or paid for by the wholesaler, which cartage  
10 cost shall be deemed to be three-fourths of one percent (0.75%) of the cost of the merchandise to  
11 the wholesaler, unless the wholesaler claims and proves a lower cartage cost; and

12 (3) A markup to cover in part the cost of doing business, which markup, in the absence  
13 of proof of a lesser cost, shall be two percent (2%) of the total cost at the wholesale  
14 establishment.

15 (c) Where two (2) or more items are advertised, offered for sale, or sold at a combined  
16 price, the price of each item shall be determined in the manner stated in subsections (a) and (b).

17 (d) "Sell at retail," "sales at retail," and "retail sale" mean and include any transfer of  
18 title to tangible personal property for a valuable consideration made in the ordinary course of  
19 trade or in the usual prosecution of the seller's business to the purchaser for consumption or use  
20 other than resale or further processing or manufacturing. In this and in the preceding subsection  
21 the previous terms shall include any transfer of property where title is retained by the seller as  
22 security for the payment of the purchase price.

23 (e) "Retailer" means and includes every person, co-partnership, corporation, or  
24 association engaged in the business of making sales at retail within this state; provided, that, in  
25 the case of a retailer engaged in the business of making sales both at retail and at wholesale, the  
26 term shall be applied only to the retail portion of the business.

27 (f) "Wholesaler" means and includes every person, partnership, corporation, or  
28 association engaged in the business of making sales at wholesale within this state; provided, that,  
29 in the case of a wholesaler engaged in the business of making sales both at wholesale and at  
30 retail, the term shall be applied only to the wholesale portion of the business.

31 (g) Whenever any person, partnership, corporation, or association in the course of doing  
32 business performs the functions of both wholesaler and retailer without actually being engaged in  
33 the business of making sales at wholesale, the term "wholesaler" means and includes that function  
34 of the business of preparation for sale at the retail outlet, and the term "retailer" shall be applied

1 only to the retail portion of the business.

2 (h) "Household" means and includes those who dwell under the same roof, house, or  
3 apartment.

4 (i) "Rebate" means a refund of a portion of the purchase price made to consumer to  
5 induce purchase of product.

6 **6-13-2. Computation of cost of tobacco products.** -- For purposes of this chapter:

7 (1) The tax imposed by chapter 20 of title 44 shall be deemed to be a part of the original  
8 cost of cigarettes to the wholesaler;

9 (2) The invoice or replacement cost of cigarettes, cigars, smoking tobacco, chewing  
10 tobacco, snuff, and other tobacco products, to any wholesaler or retailer, shall be deemed to be  
11 the minimum price in this state at which the products may be purchased in this state by the  
12 wholesaler or retailer; and

13 (3) Merchandise given gratis to a wholesaler or to a retailer for display, advertising, or  
14 promotion purposes, or otherwise, shall not be considered in determining the cost of merchandise  
15 to the wholesaler or retailer, as the case may be.

16 **6-13-2.1. Sales of milk.** -- (a) It shall be unlawful for any person, with intent to injure  
17 competitors or destroy competition, to sell within the state any milk or render any service in  
18 connection with the sale or distribution of milk at a price less than the cost of the milk or services,  
19 including, in the case of milk sold, the original purchase price, and in every instance all regular  
20 direct or indirect elements of cost, services, physical handling, and financial investment in the  
21 milk in question. No milk dealer shall, with this intent, use any method or device, either by  
22 discount or rebate, free service, advertising allowance, or by a combination price for the milk  
23 together with another commodity or service, ~~as a result of which~~ that results in the total price of  
24 the milk and the other commodity or service ~~is being~~ less than the aggregate of the prices for the  
25 milk and commodity or service when sold or offered for sale or performed separately or  
26 otherwise.

27 (b) Any person who shall violate the provisions of this section shall upon conviction be  
28 subject to the penalty provided in ~~section~~ § 6-13-3. The provisions of ~~sections~~ §§ 6-13-3 -- 6-13-8  
29 shall apply to milk in the same manner as if milk were "merchandise".

30 **6-13-3. Penalty for advertising or sale to injure competitors or destroy competition.** -

31 ~~Any~~ Any retailer, who, with intent to injure competitors or destroy competition, advertises, offers to  
32 sell, or sells at retail any item of merchandise at less than cost to the retailer, or any wholesaler  
33 who, with intent as previously mentioned, advertises, offers to sell, or sells at wholesale any item  
34 of merchandise at less than cost to the wholesaler, shall, if the offender is an individual, be



1 punished by a fine of not more than five hundred dollars (\$500) or by imprisonment for not less  
2 than one month nor more than one year, or both; or, if the offender is a corporation, by a fine as  
3 previously mentioned. Notwithstanding the provisions of this section, as it pertains to a Class A  
4 or a Class B distributor of tobacco, any offense of this title shall be punished by a fine of not  
5 more than five thousand dollars (\$5,000) for a first offense; a fine of not more than ten thousand  
6 dollars (\$10,000) and a license suspension of not more than fourteen (14) calendar days for a  
7 second offense; and a fine of not more than twenty thousand dollars (\$20,000) and a license  
8 suspension or revocation for a third offense.

9 **6-13-4. Below cost sales as evidence of intent. Below-cost sales as evidence of intent.--**

10 Evidence of any advertisement; offer to sell; or sale of any item of merchandise by any retailer  
11 or wholesaler at less than cost to him or her, as defined in this chapter, shall be prima facie  
12 evidence of intent to injure competitors or destroy competition.

13 **6-13-5. Sales exempt from chapter. --** This chapter shall not apply with respect to

14 advertising or offering to sell or selling, at retail or at wholesale, as the case may be, if done:

15 (1) In an isolated transaction and not in the usual course of business;

16 (2) Where merchandise is sold in bona fide clearance sales, if advertised or offered for  
17 sale as such or marked and sold as such, or where merchandise is marked down in an effort to sell  
18 the merchandise after bona fide efforts to sell the merchandise prior to the markdown;

19 (3) Where perishable merchandise must be sold promptly in order to forestall loss;

20 (4) Where merchandise is imperfect or damaged or its sale is being discontinued, if  
21 advertised or offered for sale as such or marked and sold as such;

22 (5) Where merchandise is advertised or offered for sale or sold upon the final liquidation  
23 of any business;

24 (6) Where merchandise is advertised or offered for sale or sold for charitable purposes or  
25 to relief agencies;

26 (7) Where merchandise is sold on contract to any department, board, or commission of  
27 this state, or of any of its political subdivisions, or to any institution maintained thereby; or

28 (8) Where merchandise is advertised or offered for sale or sold by any fiduciary or other  
29 officer acting under the order or direction of any court.

30 **6-13-6. Enforcement of chapter. --** Upon the complaint of any person, the superior court

31 shall have jurisdiction to restrain and enjoin any act forbidden or declared illegal by any  
32 provisions of this chapter; and it shall be the duty of the attorney general of this state to enforce  
33 and restrain the violation of the sections of this chapter.

34 **6-13-11. Discount price advertisement. --** It shall be unlawful to use, communicate, or



1 publish any advertisement that states that an item or product is being sold or offered for sale at  
2 below the regular price or at a percentage off the regular price without posting the regular price at  
3 the point of purchase. Whenever an item or product is advertised for sale at below the regular  
4 price or at a percentage off the regular price, the advertisement shall clearly state whether there is  
5 an additional charge for equipment or services ~~which~~ that are reasonably necessary for the proper  
6 use of the product. Any person, firm, or corporation who or that shall violate the provisions of  
7 this section shall be punished by a fine of not more than five hundred dollars (\$500).

8 **6-13-12. Sales of gift certificates.** – (a) "Gift certificate" means a record evidencing a  
9 promise, made for monetary consideration, by the seller or issuer for the record that goods or  
10 services will be provided to the owner of the record to the value shown in the record and includes,  
11 but is not limited to: (1) ~~a~~ A record that contains a microprocessor chip, magnetic strip, or other  
12 means of storage of information that is pre-funded and for which the value is decremented upon  
13 each use; (2) ~~a~~ A gift card, an electronic gift card, stored-value card or certificate; (3) ~~a~~ A store  
14 card; (4) ~~prepaid~~ Prepaid long-distance telephone service that is activated by a prepaid card that  
15 requires dialing an access number or an access code for each call in addition to dialing the phone  
16 number to which the user of the prepaid card seeks to connect; or (5) ~~a~~ A similar record or card.  
17 Any person, firm, or corporation that sells gift certificates for any product or merchandise sold by  
18 the person, firm, or corporation, shall be required to record the sales and keep an accurate and  
19 complete record of each gift certificate sold. The record shall include the date of sale; the full  
20 value of the certificate; the identification number assigned by the retailer to the certificate; and  
21 the state in which the sale of the certificate took place. The retailer shall further be required to  
22 give to the purchaser of gift certificates exceeding fifty dollars (\$50.00) a written and numbered  
23 receipt evidencing the sale of the certificate. It shall be unlawful for any person, firm, or  
24 corporation of any kind to charge any surcharge or additional monthly or annual service or  
25 maintenance fees on gift certificates or to limit the time for the redemption of a gift certificate or  
26 to place an expiration date upon the gift certificate. No gift certificate or any agreement with  
27 respect to such gift certificate may contain language suggesting that an expiration date may apply  
28 to the gift certificate. Any person, firm, or corporation that shall violate the provisions of this  
29 section shall be punished by a fine of not more than two hundred dollars (\$200). Due to the  
30 unlimited redemption period, the division of taxation shall not escheat the funds paid for those  
31 unredeemed gift certificates. Any unused portion of a redeemed gift certificate shall be afforded  
32 to the consumer by reissuing the gift certificate for the unused amount or providing cash where  
33 the balance due the consumer is less than one dollar (\$1.00). This section shall not apply to the  
34 following:

1           ~~(a)~~(b) Gift certificates that are distributed to a consumer pursuant to an awards, loyalty,  
2 or promotional program without any money or other thing of value being given in exchange for  
3 the gift certificate by the consumer. Any restrictions or limitations ~~which~~ that such gift  
4 certificates may be subject to must be disclosed to the consumer, in writing, at the time the gift  
5 certificates are distributed to the consumer.

6           ~~(b)~~(c) Prepaid wireless telephone service or prepaid wireless telephone card. "Prepaid  
7 wireless telephone service" means wireless telephone service that is activated in advance by  
8 payment for a finite dollar amount of service or for a finite set of minutes that terminate either  
9 upon use by a customer and delivery by the wireless provider of an agreed-upon amount of  
10 service corresponding to the total dollar amount paid in advance or within a certain period of time  
11 following the initial purchase or activation, unless additional payments are made.

12           ~~(e)~~(d) Gift cards or prepaid or store value cards that are issued by state-chartered  
13 financial institutions and credit unions or that are issued by third-party issuers usable at multiple,  
14 unaffiliated merchants or service providers; provided that said financial institutions, credit  
15 unions, or third-party issuers comply with the guidelines on disclosure and marketing as  
16 published by the office of the comptroller of the currency.

17           **6-13-12.1. Donation of gift certificates.** -- Any gift certificate/card as defined in ~~section~~  
18 § 6-13-12 ~~which~~ that has been donated for fundraising purposes; shall be exempt from the  
19 provisions of ~~section~~ § 6-13-12 relating to expiration dates, provided, that the gift certificate/card  
20 clearly states that the gift certificate/card has been donated for charity purposes and is subject to a  
21 clearly defined expiration date; not less than one year from the issuance of the gift certificate/card  
22 to the gift certificate/card recipient.

23           **6-13-15. Prohibition against recording credit card or social security numbers on**  
24 **checks.** -- It shall be unlawful, during a sale at retail of any goods or merchandise, to record any  
25 credit card or all or part of a social security number obtained from a purchaser as a means of  
26 identification upon the check of the purchaser tendered for the sale. Any person, firm, or  
27 corporation that shall violate the provisions of this section shall be punished by a fine of not more  
28 than one hundred dollars (\$100). This section does not prohibit any person from requesting  
29 production of, or recording, a credit card number as a condition for cashing or accepting a check,  
30 provided the person has agreed with the credit card issuer to cash or accept checks from card  
31 holders of the issuer; the issuer has agreed to guarantee card holder checks cashed or accepted by  
32 that person; and the card holder has given actual, apparent, or implied authority for the use of his  
33 or her card number in the manner and for the purpose described in this section.

34           **6-13-16. Prohibition against recording personal information in credit card**

1 **transactions.** -- (a) No person, firm, partnership, or corporation ~~which~~ that accepts credit cards  
2 for the transaction of business shall require the credit card holder to write or cause to be written  
3 on a transaction form any personal identification information, including, but not limited to, the  
4 credit card holder's address or telephone number, that is not required by the credit card issuer to  
5 complete the credit card transactions.

6 (b) The credit card holder's address and telephone number may be required on a  
7 transaction form where: (1) this information is necessary for shipping, delivery, installation of  
8 purchased merchandise, consumer rental transactions, warranty, or for special orders; (2)  
9 authorization from the credit card issuer as to the availability of credit is required by the issuer to  
10 complete the credit card transaction; or (3) the person, firm, partnership, or corporation processes  
11 credit card transactions by mailing transaction forms to the designated bankcard center for  
12 settlement.

13 (c) This section shall not preclude a person, firm, partnership, or corporation that accepts  
14 credit cards from requesting this personal identification and recording it, if it is provided by the  
15 card holder pursuant to that request.

16 (d) Any person, firm, partnership, or corporation who or that shall violate the provisions  
17 of this section shall be punished by a fine of not more than one hundred dollars (\$100).

18 **6-13-17. Requiring consumers to furnish social security numbers.** -- (a) Unless  
19 otherwise required by federal law, no person shall require that a consumer of goods or services  
20 disclose all or part of a social security number incident to the sale of consumer goods or services;  
21 provided, however, that:

22 (1) Insurance companies and institutions licensed by the state or federal government for  
23 financial services may require applicants for those services to disclose their social security  
24 number;

25 (2) Social security numbers may be required for the providing and billing of health care  
26 or pharmaceutical-related services, including the issuance of identification cards and account  
27 numbers for users of health care or pharmaceutical-related services; and

28 (3) Disclosure may be required of a consumer as a condition of applying for a credit card  
29 for the purchase of goods or services.

30 (b) Any person violating the provisions of this section shall be guilty of a misdemeanor,  
31 and upon conviction, shall be fined not more than five hundred dollars (\$500).

32 (c) In any civil action alleging a violation of this section, the court may award damages,  
33 reasonable attorney's fees, and costs to a prevailing consumer; and afford injunctive relief against  
34 any person or business that commits or proposes to commit a violation of this section.

1           **6-13-18. Check cashing discrimination.** -- A business that willingly accepts personal  
2 checks from Rhode Island customers for goods or services shall be prohibited from refusing  
3 checks based solely on the geographic area in which the customer lives within the state of Rhode  
4 Island. Any person, firm, or corporation ~~which shall violate~~ violating the provisions of this  
5 section shall be punished by a civil penalty of not more than one hundred dollars (\$100) per  
6 violation.

7           **6-13-19. Requiring consumers to furnish social security numbers.** -- No person, firm,  
8 corporation, or other business entity ~~which that~~ offers discount cards for purchases made at any  
9 business maintained by the offeror shall require that a consumer of goods who applies for a  
10 discount card furnish all or part of his or her social security number as a condition precedent to  
11 the application for the consumer discount card. No information obtained on the application or by  
12 use of a discount card can be sold or given to any other person, firm, corporation, or business  
13 entity, provided, that the person, firm, corporation, or other business may: (a) disclose such  
14 information to its affiliates, to service providers that perform services for it, or as required by law;  
15 and/or (b) transfer such information in connection with the sale of its business operations.

16           **6-13-20. Rebate restrictions -- prohibited.** -- No person, firm, business, partnership or  
17 corporation ~~which that~~ issues rebates to its customers in the course of their transactions of  
18 business shall restrict their use to one per household per item purchased; provided, however, that  
19 this section shall not apply to rebates on the sale of beverages.

20           **6-13-21. Price gouging -- Essential commodities.** -- (a) Upon a declaration of a state of  
21 emergency by the governor, or federal disaster declaration by the president, it shall be an unfair  
22 sales practice for individuals or retailers, to participate in price gouging, by making sales, or  
23 offering to sell, within the area for which the market emergency is declared, essential  
24 commodities to consumers for an amount that represents an unconscionably high price.

25           (b) As used in this section:

26           (1) "Unconscionably high price" means the amount charged represents a gross disparity  
27 between the average prices at which the same or similar commodity was readily available and  
28 sold or offered for sale within the local trade area in the usual course of business during the thirty  
29 (30) days immediately before the declaration of the market emergency, and the additional charges  
30 are not substantially attributable to increased cost to retailers, imposed by their suppliers,  
31 including replacement costs imposed by the vendors' source. Additionally, the average price  
32 calculation during said thirty ~~(30)-day~~ -day (30) period shall not include discounted prices set and  
33 offered as a result of bona fide manufacturer's or supplier's limited discounts or rebates.

34           (i) Under a federal disaster declaration by the president or upon a declaration of a state of

1 emergency by the governor, it is unlawful and a violation of chapter ~~6-13~~ of title 6, and  
2 ~~subdivision § 30-15-9(e)(12) of title 30~~, to sell, or offer to sell, at an unconscionably high price,  
3 any essential commodity.

4 (2) "Price gouging" means charging a consumer an unconscionably high price for  
5 essential commodities during a declared market emergency.

6 (3) "Essential commodities" means any goods, services, materials, merchandise,  
7 supplies, equipment, resources, or other article of commerce, and includes, without limitation,  
8 home heating fuels, motor fuels, food, water, ice, chemicals, petroleum products, and lumber  
9 necessary for consumption or use as a direct result of the market emergency.

10 (4) "Market emergency" means any declaration of a state of emergency by the governor  
11 or federal disaster declaration by the president. The market emergency shall exist until the  
12 declaration expires or is terminated.

13 (5) "Individual" means a person, corporation, partnership, limited liability company,  
14 association, joint venture, agency, or any other legal or commercial entity.

15 (6) "Consumer" means an individual who enters into a transaction primarily for personal,  
16 family, or household purposes.

17 (7) "Retailer" means and includes every individual licensed to engage in the business of  
18 making sales at retail within this state.

19 (c) This section shall not prohibit the fluctuation in price of essential commodities ~~which~~  
20 that occur during the normal course of business.

21 (d) Any violation of this section shall constitute an unfair sales practice under the terms  
22 of chapter 13.1 of this title ~~6~~.

23 (e) In addition to the penalties provided in chapter 13.1 of this title ~~6~~, and subdivision  
24 30-15-9(e)(12), the court may impose orders and civil penalties, including, but not limited to:

25 (1) A fine of not more than one thousand dollars (\$1,000) per violation with an aggregate  
26 total not to exceed twenty-five thousand dollars (\$25,000) for any twenty-four ~~(24)-hour~~ -hour  
27 (24) period;

28 (2) An order to pay costs of litigation relating to the offense;

29 (3) An order for disgorgement of profits earned; and

30 (4) Any other relief determined by the court to be appropriate.

31 (f) All monetary penalties so collected shall accrue to the enforcing authority to further  
32 consumer enforcement efforts.

33 SECTION 10. Sections 6-13.1-1, 6-13.1-3, 6-13.1-5, 6-13.1-5.2, 6-13.1-7, 6-13.1-14, 6-  
34 13.1-15, 6-13.1-17, 6-13.1-20, 6-13.1-21, 6-13.1-22, 6-13.1-23, 6-13.1-24, 6-13.1-25, 6-13.1-28

1 and 6-13.1-29 of the General Laws in Chapter 6-13.1 entitled "Deceptive Trade Practices" are  
2 hereby amended to read as follows:

3 **6-13.1-1. Definitions.** -- As used in this chapter:

4 (1) "Documentary material" means the original or a copy of any book, record, report,  
5 memorandum, paper, communication, tabulation, map, chart, photograph, mechanical  
6 transcription, or other tangible document or recording wherever situated.

7 (2) "Examination" of documentary material includes the inspection, study, or copying of  
8 any documentary material, and the taking of testimony under oath or acknowledgment in respect  
9 of any documentary material or copy of any documentary material.

10 (3) "Person" means natural persons, corporations, trusts, partnerships, incorporated or  
11 unincorporated associations, and any other legal entity.

12 (4) "Rebate" means the return of a payment or a partial payment, ~~which~~ that serves as a  
13 discount or reduction in price.

14 (5) "Trade" and "commerce" mean the advertising, offering for sale, sale, or distribution  
15 of any services and any property, tangible or intangible, real, personal, or mixed, and any other  
16 article, commodity, or thing of value wherever situate, and include any trade or commerce  
17 directly or indirectly affecting the people of this state.

18 (6) "Unfair methods of competition and unfair or deceptive acts or practices" means any  
19 one or more of the following:

20 (i) Passing off goods or services as those of another;

21 (ii) Causing likelihood of confusion or of misunderstanding as to the source,  
22 sponsorship, approval, or certification of goods or services;

23 (iii) Causing likelihood of confusion or of misunderstanding as to affiliation, connection,  
24 or association with, or certification by, another;

25 (iv) Using deceptive representations or designations of geographic origin in connection  
26 with goods or services;

27 (v) Representing that goods or services have sponsorship, approval, characteristics,  
28 ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship,  
29 approval, status, affiliation, or connection that he or she does not have;

30 (vi) Representing that goods are original or new if they are deteriorated, altered,  
31 reconditioned, reclaimed, used, or secondhand; and if household goods have been repaired or  
32 reconditioned, without conspicuously noting the defect ~~which~~ that necessitated the repair on the  
33 tag ~~which~~ that contains the cost to the consumer of the goods;

34 (vii) Representing that goods or services are of a particular standard, quality, or grade, or

- 1 that goods are of a particular style or model, if they are of another;
- 2 (viii) Disparaging the goods, services, or business of another by false or misleading  
3 representation of fact;
- 4 (ix) Advertising goods or services with intent not to sell them as advertised;
- 5 (x) Advertising goods or services with intent not to supply reasonably expectable public  
6 demand, unless the advertisement discloses a limitation of quantity;
- 7 (xi) Making false or misleading statements of fact concerning the reasons for, existence  
8 of, or amounts of price reductions;
- 9 (xii) Engaging in any other conduct that similarly creates a likelihood of confusion or of  
10 misunderstanding;
- 11 (xiii) Engaging in any act or practice that is unfair or deceptive to the consumer;
- 12 (xiv) Using any other methods, acts, or practices ~~which~~ that mislead or deceive members  
13 of the public in a material respect;
- 14 (xv) Advertising any brand name goods for sale and then selling substituted brand names  
15 in their place;
- 16 (xvi) Failure to include the brand name and or manufacturer of goods in any  
17 advertisement of the goods for sale, and, if the goods are used or secondhand, failure to include  
18 the information in the advertisement;
- 19 (xvii) Advertising claims concerning safety, performance, and comparative price unless  
20 the advertiser, upon request by any person, the consumer council, or the attorney general, makes  
21 available documentation substantiating the validity of the claim;
- 22 (xviii) Representing that work has been performed on or parts replaced in goods when  
23 the work was not in fact performed or the parts not in fact replaced; or
- 24 (xix) Failing to separately state the amount charged for labor and the amount charged for  
25 services when requested by the purchaser as provided for in ~~section~~ § 44-18-12(b)(3).
- 26 (xx) Advertising for sale at a retail establishment the availability of a manufacturer's  
27 rebate by displaying the net price of the advertised item (the price of the item after the rebate has  
28 been deducted from the item's price) in the advertisement, unless the amount of the  
29 manufacturer's rebate is provided to the consumer by the retailer at the time of the purchase of the  
30 advertised item. It shall be the retailer's burden to redeem the rebate offered to the consumer by  
31 the manufacturer.

32 ~~(xxi) [Deleted by P.L. 2007, ch. 31, section 1 and P.L. 2007, ch. 38, section 1].~~

33 **6-13.1-3. Interpretation.** -- It is the intent of the legislature that in construing ~~sections~~

34 §§ 6-13.1-1 and 6-13.1-2 due consideration and great weight shall be given to the



1 interpretations of the ~~federal trade commission~~ [Federal Trade Commission](#) and the federal courts  
2 relating to section 5(a) of the Federal Trade Commission Act. 15 U.S.C. section 45(a)(1), as from  
3 time to time amended.

4 **6-13.1-5. Restraining prohibited acts.** -- (a) Whenever the attorney general has reason  
5 to believe that any person is using, has used, or is about to use any method, act, or practice  
6 declared to be unlawful by ~~section §~~ 6-13.1-2, and that proceedings would be in the public  
7 interest, the attorney general may bring an action in the name of the state against the person to  
8 restrain by temporary or permanent injunction the use of the method, act, or practice, upon the  
9 giving of appropriate notice to that person. The notice must generally state the relief sought and  
10 be served in accordance with ~~section §~~ 6-13.1-7 and at least three (3) days before the hearing of  
11 the action.

12 (b) The action may be brought in the superior court of the county in which the person  
13 shall dwell; or be found; or have his principal place of business; or, with consent of the parties;  
14 or if the person is a nonresident or has no principal place of business within this state or if the  
15 superior court shall not be in session in the counties previously said to be applicable, may be  
16 brought in the superior court of Providence County. The superior courts are authorized to issue  
17 temporary or permanent injunctions to restrain and prevent violations of this chapter; and the  
18 injunctions shall be issued without bond.

19 (c) The court may make any additional orders or judgments that may be necessary to  
20 restore to any person in interest any moneys or property, real or personal, ~~which~~ [that](#) may have  
21 been acquired by means of any practice in this chapter declared to be unlawful, including the  
22 appointment of a receiver in any case where the superior court finds that the assets of a  
23 corporation are in danger of being misapplied, dissipated, wasted, or lost, or the revocation of a  
24 license or certificate authorizing that person to engage in business in this state, or both.

25 (d) Actions under this chapter may be brought without regard to the pendency of  
26 criminal proceedings arising out of the same acts or practices and no action shall bar the  
27 institution of criminal proceedings arising out of the same acts or practices. No involuntary  
28 admission by any person in the action shall be admissible in any subsequent criminal proceeding.

29 **6-13.1-5.2. Private and class actions.** -- (a) Any person who purchases or leases goods  
30 or services primarily for personal, family, or household purposes and thereby suffers any  
31 ascertainable loss of money or property, real or personal, as a result of the use or employment by  
32 another person of a method, act, or practice declared unlawful by ~~section §~~ 6-13.1-2, may bring  
33 an action under [the rules of civil procedure](#) ~~Rules of Civil Procedure~~ in the superior court of the  
34 county in which the seller or lessor resides; is found; has his or her principal place of business;

1 or is doing business; or in the superior court of the county as is otherwise provided by law, to  
2 recover actual damages or two hundred dollars (\$200), whichever is greater. The court may, in its  
3 discretion, award punitive damages and may provide other equitable relief that it deems necessary  
4 or proper.

5 (b) Persons entitled to bring an action under subsection (a) of this section may, if the  
6 unlawful method, act, or practice has caused similar injury to numerous other persons similarly  
7 situated and if they adequately represent the similarly situated persons, bring an action on behalf  
8 of themselves and other similarly injured and situated persons to recover damages as provided for  
9 in subsection (a) of this section. In any action brought under this section, the court may in its  
10 discretion order, in addition to damages, injunctive or other equitable relief.

11 (c) Upon commencement of any action brought under subsection (a) of this section, the  
12 clerk of court shall mail a copy of the complaint or other initial pleading to the attorney general  
13 and, upon entry of any judgment or decree in the action, shall mail a copy of the judgment or  
14 decree to the attorney general.

15 (d) In any action brought by a person under this section, the court may award, in addition  
16 to the relief provided in this section, reasonable attorney's fees and costs.

17 (e) Any permanent injunction, judgment, or order of the court made under ~~section §~~ 6-  
18 13.1-5 shall be prima facie evidence in an action brought under this section that the respondent  
19 used or employed a method, act, or practice declared unlawful by ~~section §~~ 6-13.1-2.

20 **6-13.1-7. Investigations -- Procedure -- Remedies for failure to comply.** -- (a) When it  
21 appears to the attorney general that a person has engaged in, is engaging in, or is about to engage  
22 in, any act or practice declared to be unlawful by this chapter, or when the attorney general  
23 believes it to be in the public interest that an investigation should be made to ascertain whether a  
24 person in fact has engaged in, is engaging in, or is about to engage in, any act or practice declared  
25 to be unlawful by this chapter, he or she may execute, in writing, and cause to be served upon any  
26 person who is believed to have information, documentary material, or physical evidence relevant  
27 to the alleged or suspected violation, an investigative demand, stating the general subject matter  
28 of the investigation and the statute and section under which ~~the alleged or the~~ suspected violation  
29 is alleged ~~of which is under investigation and requiring~~ and require the person to furnish, under  
30 oath or otherwise, a report in writing stating the relevant facts and circumstances of which the  
31 person has knowledge, or to appear and testify or to produce relevant documentary material or  
32 physical evidence for examination, at any reasonable time and place that may be stated in the  
33 investigative demand, concerning the advertisement, sale, or offering for sale of any goods or  
34 services or the conduct of any trade or commerce that is the subject matter of the investigation.

1 All civil investigative demands shall be filed in the superior court of the county in which the  
2 person served with the demand shall dwell or have his principal place of business.

3 (b) At any time before the return date specified in an investigative demand, or within  
4 twenty (20) days after the demand has been served, whichever period is shorter, a petition to  
5 extend the return date or to modify or set aside the demand, stating good cause, may be filed in  
6 the superior court in which the person served with the demand shall dwell or have his or her  
7 principal place of business, or in the superior court of Providence County.

8 (c) To accomplish the objectives and to carry out the duties prescribed by this chapter,  
9 the attorney general, in addition to other powers conferred upon him or her by this chapter, may  
10 issue subpoenas to any person; administer an oath or affirmation to any person; conduct hearings  
11 in aid of any investigation or inquiry; and prescribe any forms and promulgate any rules and  
12 regulations that may be necessary, which rules and regulations shall have the force of law;  
13 provided that none of the powers conferred by this chapter shall be used for the purpose of  
14 compelling any natural person to furnish testimony or evidence ~~which~~ that might tend to  
15 incriminate the person or subject him or her to a penalty or forfeiture; and provided further that  
16 information obtained pursuant to the powers conferred by this chapter shall not be made public or  
17 disclosed by the attorney general or his or her employees beyond the extent necessary for law  
18 enforcement purposes in the public interest.

19 (d) Service of any notice, demand, or subpoena under this chapter shall be made  
20 personally within this state, but if personal service cannot be obtained, substituted service may be  
21 made in the following manner:

22 (1) Personal service without this state;

23 (2) The mailing of any notice, demand, or subpoena under this chapter by registered or  
24 certified mail to the last known place of business, residence, or abode within or without this state  
25 of the person for whom the service is intended;

26 (3) As to any person other than a natural person, in the manner provided in the ~~Rules of~~  
27 ~~Civil Procedure~~ rules of civil procedure as if a complaint or other pleading which institutes a civil  
28 proceeding had been filed; or

29 (4) Service that the superior court may direct in lieu of personal service within this state.

30 (e) A person upon whom a demand is served pursuant to the provisions of this section  
31 shall comply with the terms of the demand unless otherwise provided by order of court. Subject  
32 to the protections provided for in subsection (c) of this section relating to self incrimination, any  
33 person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil  
34 investigative demand under this section, removes from any place, conceals, withholds, or

1 destroys, mutilates, alters, or by any other means falsifies any documentary material in the  
2 possession, custody, or control of any person subject of any demand, or knowingly conceals any  
3 relevant information, shall be fined not more than five thousand dollars (\$5,000).

4 (f) If any person fails or refuses to file any statement or report, or obey any subpoena or  
5 investigative demand issued by the attorney general, the attorney general may file in the superior  
6 court of the county in which the person shall dwell or be found; or has his or her principal place  
7 of business; or of Providence County, if the superior court at the previously mentioned county  
8 shall not be in session, or if the person is a nonresident or has no principal place of business in  
9 this state; or of the other county as may be agreed upon by the parties to the petition; and serve  
10 upon the person a petition for an order of the court for the enforcement of this section, and the  
11 petition may request and the court shall have jurisdiction to grant after notice and a hearing, an  
12 order:

13 (1) Granting injunctive relief to restrain the person from engaging in the advertising or  
14 sale of any merchandise or the conduct of any trade or commerce that is involved in the alleged or  
15 suspected violation;

16 (2) Vacating, annulling, or suspending the corporate charter of a corporation created by  
17 or under the laws of this state or revoking or suspending the certificate of authority to do business  
18 in this state of a foreign corporation or revoking or suspending any other licenses, permits, or  
19 certificates issued pursuant to law to the person ~~which~~ that are used to further the allegedly  
20 unlawful practice; and

21 (3) Granting any other relief that may be required, until the person files the statement or  
22 report, or obeys the subpoena or investigative demand.

23 (g) Any final order so entered shall be subject to appeal to the state supreme court. Any  
24 disobedience of any final order entered under this section by any court shall be punished as a  
25 contempt of court.

26 **6-13.1-14. Penalties.** -- Any person who violates the ~~provision~~ provisions of ~~section~~ §§  
27 6-13.1-12 and/or 6-13.1-13 shall be guilty of a misdemeanor and shall pay a fine of five hundred  
28 dollars (\$500).

29 **6-13.1-15. Piracy of recordings.** -- (a) As used in this section, "article" means a  
30 phonograph record, disc, wire, tape, film, compact disc, audio or video cassette, compact video  
31 disc, or other device on which sounds or images are or can be recorded or otherwise stored.

32 (b) Unless exempt under subsection (d), it is unlawful for any person, firm, partnership,  
33 corporation, or association knowingly to:

34 (1) Transfer or cause to be transferred any sounds recorded on any article on which

1 sounds are recorded onto any other article;

2 (2) Transfer or cause to be transferred any performance, whether live before an audience  
3 or transmitted by wire or through the air by radio or television, onto any article; or

4 (3) Sell, distribute, circulate, offer for sale, distribution, or circulation, possess for the  
5 purpose of sale, distribution, or circulation, or cause to be sold, distributed, circulated, offered for  
6 sale, distribution, or circulation, or possessed for sale, distribution, or circulation, any article on  
7 which sounds or performances have been transferred without the consent of the person who owns  
8 the master article from which the sounds are derived or the right to record the performance.

9 (c) It is unlawful for any person, firm, partnership, corporation, or association to sell,  
10 distribute, circulate, offer for sale, distribution, or circulation or possess for the purposes of sale,  
11 distribution, or circulation, any article on which sounds or images have been transferred unless  
12 the article bears the actual name and address of the transferor of the sounds in a prominent place  
13 on its outside face or package.

14 (d) This section does not apply to any person who transfers or causes to be transferred  
15 any sounds or images intended for, or in connection with, radio or television broadcast  
16 transmission or related uses; for archival purposes or solely for the personal use of the person  
17 transferring or causing the transfer and without any compensation being derived by the person  
18 from the transfer.

19 (e) Every person who violates the provisions of this section is guilty of a felony and:

20 (1) For the first offense is punishable by a fine of not more than five thousand dollars  
21 (\$5,000) or by imprisonment in the state prison for not more than six (6) years, or by both fine  
22 and imprisonment.

23 (2) For a subsequent offense is punishable by a fine of not more than five thousand  
24 dollars (\$5,000) or by imprisonment in the state prison for not more than ten (10) years, or by  
25 both fine and imprisonment.

26 (3) The court in its judgment of conviction may order the forfeiture and destruction or  
27 other disposition of all infringing articles and all implements, devices, and equipment used in the  
28 manufacture of the infringing articles.

29 **6-13.1-17. Contracts -- Provision to sell real estate.** -- It is unlawful for any person,  
30 firm, partnership, corporation, or association to provide in any contract for the purchase of  
31 consumer goods or documents related to them; a provision allowing the seller the power to sell or  
32 attach real estate for default; without first obtaining an order by a court exercising proper  
33 jurisdiction of the subject matter.

34 **6-13.1-20. Credit reports -- Definitions.** -- As used in this chapter:

1 (1) "Credit bureau" means any entity or person ~~which~~ who or that, for monetary fees,  
2 dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of  
3 assembling or evaluating consumer credit information or other information on consumers for the  
4 purpose of furnishing credit reports to third parties;

5 (2) (i) "Credit report" means any written, oral, or other communication of any  
6 information by a credit bureau bearing on a consumer's credit worthiness, credit standing, or  
7 credit capacity, ~~which~~ that is used or expected to be used or collected in whole or in part for the  
8 purpose of serving as a factor in establishing the consumer's eligibility for:

9 (A) Credit or insurance to be used primarily for personal, family, or household purposes;

10 (B) Employment purposes; or

11 (C) Other purposes authorized under the federal Fair Credit Reporting Act, 15 U.S.C.  
12 section 1681 et seq.

13 (ii) "Credit report" does not include:

14 (A) Any report containing information solely as to transactions or experiences between  
15 the consumer and the person making the report;

16 (B) Any authorization or approval of a specific extension of credit directly or indirectly  
17 by the issuer of a credit card or similar device;

18 (C) Any report in which a person who has been requested by a third party to make a  
19 specific extension of credit directly or indirectly to a consumer conveys his or her decision with  
20 respect to that request, if the third party advises the consumer of the name and address of the  
21 person to whom the request was made and the person makes the disclosures to the consumer  
22 required under the federal Fair Credit Reporting Act, 15 U.S.C. section 1681 et seq.; or

23 (D) Any report containing information solely on a consumer's character, general  
24 reputation, personal characteristics, or mode of living ~~which~~ that is obtained through personal  
25 interviews with neighbors, friends, or associates of the consumer reported on, or with others with  
26 whom he or she is acquainted or who may have knowledge concerning those items of  
27 information, only if the report is not used in granting, extending, or decreasing credit.

28 **6-13.1-21. Credit reports -- Notice to individual -- Requirements of users of credit**  
29 **reports.** -- (a) No person or business shall request a credit report in connection with a consumer's  
30 application for credit, employment, or insurance unless a consumer is first informed that a credit  
31 report may be requested in connection with the application.

32 (b) Whenever credit or insurance for personal, family, ~~or~~ household purposes, or  
33 employment, involving a consumer is denied or the charge for that credit or insurance is increased  
34 either wholly or partly because of information contained in a credit report from a credit bureau,

1 the user of the credit report shall advise the consumer against whom the adverse action has been  
2 taken and supply the name and address of the credit bureau making the report.

3 **6-13.1-22. Access to credit reports.** -- Any consumer who requests disclosure of his or  
4 her credit file from a credit bureau shall be entitled to have mailed to the consumer; a copy of the  
5 information in the files of the credit bureau that pertains to the consumer at the time of the  
6 consumer's request for disclosure within four (4) working days of the request. The credit bureau  
7 may impose a reasonable charge for the report, but that charge shall not exceed eight dollars  
8 (\$8.00) per report. The maximum charge for the report may be raised annually not to exceed the  
9 increase in the Consumer Price Index (CPI). The copy shall be furnished without charge if the  
10 request for a copy of the report is the result of a consumer being notified that adverse action has  
11 been taken on a credit application based on the credit report, provided the request for the report is  
12 made within sixty (60) days of receipt of the notice.

13 **6-13.1-23. Disputed credit report.** -- (a) If the completeness or accuracy of any item of  
14 information contained in a consumer's file is disputed by that consumer, and the dispute is  
15 directly conveyed to the credit bureau by the consumer, the credit bureau shall within thirty (30)  
16 calendar days reinvestigate the current status of that information unless it has reasonable grounds  
17 to believe that the dispute by the consumer is frivolous or irrelevant. If after the reinvestigation  
18 that information is found to be inaccurate or can no longer be verified, the credit bureau shall  
19 promptly delete that information. The presence of contradictory information in the consumer's file  
20 does not in and of itself constitute reasonable grounds for believing the dispute is frivolous or  
21 irrelevant.

22 (b) If the reinvestigation does not resolve the dispute, the consumer may file a brief  
23 statement stating the nature of the dispute. The credit bureau may limit statements of dispute to  
24 not more than one hundred (100) words if it provides the consumer with assistance in writing a  
25 clear summary of the dispute.

26 (c) Whenever a statement of dispute is filed, unless there is reasonable grounds to  
27 believe that it is frivolous or irrelevant, the credit bureau shall, in any subsequent consumer report  
28 containing the information in question, clearly note that it is disputed by the consumer and  
29 provide either the consumer's statement or a clear and accurate codification or summary of that  
30 statement.

31 (d) Following any deletion or correction of information ~~which~~ that is found to be  
32 inaccurate or whose accuracy can no longer be verified or any notation as to disputed  
33 information, the credit bureau shall properly furnish a copy of the corrected credit report to the  
34 consumer at no charge, and at the request of the consumer, furnish a copy of the corrected report



1 to any person specifically designated by the consumer who has within two (2) years prior thereto  
2 received a credit report for employment purposes, or within six (6) months received a credit  
3 report for any other purpose, ~~which~~ that contained the deleted, corrected, or disputed information.  
4 The credit bureau shall clearly and conspicuously disclose to the consumer his rights to make that  
5 request. The disclosure shall be made at or prior to the time the information is deleted or the  
6 consumer's statement regarding the disputed information is received.

7 **6-13.1-24. Registration with secretary of state.** -- Any credit bureau doing business in  
8 this state shall immediately register in the office of the secretary of state and shall state its  
9 corporate or company name; agent for service of process; business address; and phone number.  
10 Any credit bureau shall notify the office of secretary of state, in writing, of any change in name,  
11 agent, address, or telephone number within thirty (30) days of the change.

12 **6-13.1-25. Penalties.** -- A violation of ~~section §§~~ 6-13.1-21, 6-13.1-22 or 6-13.1-23 shall  
13 constitute a deceptive trade practice for enforcement purposes. Any credit bureau ~~which~~ that  
14 negligently fails to comply with the requirements imposed under this chapter with respect to any  
15 consumer and ~~which~~ that does not achieve compliance within three (3) working days of being  
16 notified of its noncompliance by the consumer is liable to that consumer in an amount equal to  
17 the sum of ten dollars (\$10.00) per day for each day of noncompliance, beginning on the fourth  
18 day following the date that the credit bureau is notified by the consumer of the noncompliance;  
19 provided that there is noncompliance as determined by the court, plus any actual damages  
20 sustained by the consumer as a result of the negligent failure; and in the case of any successful  
21 action to enforce any provision under this chapter, the costs of the action together with reasonable  
22 attorney's fees as determined by the court.

23 **6-13.1-28. Financing of motor vehicles -- Term and rate of interest prominently**  
24 **displayed.** -- (a) Any contract to finance the sale of a motor vehicle shall prominently display the  
25 term and rate of interest.

26 (b) The borrower's initials or signature shall appear immediately adjacent to the term and  
27 to the rate of interest on the loan agreement ~~which~~ that shall only serve as an acknowledgement  
28 that the borrower has been informed of the terms and rate. The borrower shall also be required to  
29 separately sign the loan agreement to bind ~~themselves~~ himself or herself to the contract.

30 (c) Any agreement to finance a motor vehicle that does not comply with the provision of  
31 this section shall be voidable within thirty (30) days at the option of the borrower; provided,  
32 however, the borrower shall be responsible for any damage to the vehicle.

33 **6-13.1-29. Furnishing of credit reports.** -- No credit bureau doing business in this state  
34 shall use all or part of a consumer's social security number as the sole factor when determining

1 whether a credit report in its files matches the identity of a person who is the subject of a credit  
2 inquiry from a user of credit reports. When a social security number is used as a factor, a credit  
3 bureau may disclose a credit report in its files to an inquiring user of credit reports only if the  
4 name and, at a minimum, at least one other identifier such as address; prior address; date of  
5 birth; mother's maiden name; place of employment; or prior place of employment; also match  
6 the identity of the person who is the subject of the inquiry.

7 SECTION 11. Sections 6-13.2-2, 6-13.2-3, 6-13.2-4, 6-13.2-5, 6-13.2-6 and 6-13.2-7 of  
8 the General Laws in Chapter 6-13.2 entitled "Comparison Price Advertising for Precious Metal  
9 and Stones" are hereby amended to read as follows:

10 **6-13.2-2. Definitions.** -- The following words as used in this chapter, unless a different  
11 meaning is required by the context or is specifically prescribed, shall have the following  
12 meanings:

13 (1) "Advertisement" means any oral, written, or graphic statement or representation  
14 made in connection with the solicitation of business in any manner for the purpose of soliciting a  
15 consumer in this state by a seller and includes, without limitation because of enumeration,  
16 statements and representations, but does not include price tags or in-store signs, or printed in any  
17 sales literature or brochure excepting catalogs. The terms "producer", "manufacturer",  
18 "wholesaler", "importer", or words of similar meaning, mean sellers ~~that are~~ engaged in resales,  
19 not sellers of products or services for consumer, personal, family, or household use or  
20 consumption. No price comparison may be made by a seller for precious metal and stones at  
21 wholesale, wholesale prices, factory prices, or the like. If the prices for the sale being offered are  
22 the net-cost prices retailers usually and customarily pay when they buy that merchandise for  
23 resale, sales may be termed net-cost sales and in that event sellers may advertise cost prices  
24 providing the substantiation of net-cost prices that are maintained for six (6) months. In no event  
25 may retailers, in their departments that sell precious metals or stones, hold themselves ~~not~~ or their  
26 sale out as wholesalers or as wholesale prices or otherwise;

27 (2) "Consumer property" means precious metals and stones sold primarily for personal,  
28 family, gift, or household use and not for resale or for use or consumption in a trade or business.  
29 For purposes of this chapter, "consumer property" includes "merchandise";

30 (3) "Date", as applied to "date on which a price comparison is stated in the  
31 advertisement" in newspapers or other printed publications, means either the date of publication  
32 or distribution or the date on which the completed advertising copy is submitted to the printer for  
33 final printing and publication, provided the submission date does not exceed thirty (30) days from  
34 the date of actual publication or distribution;

1 (4) "Precious metal" means metals ~~which~~ that are prized because of chemical and  
2 physical properties (notably ~~resistance~~ resistant to corrosion, hardness, strength, and beauty)  
3 desirable in jewelry, coinage, and objects of art, and ~~which~~ that are at the same time relatively  
4 rare or inexpensive. Gold, silver, and the six (6) metals of the platinum group are usually  
5 considered precious metals;

6 (5) "Precious stones" means one of the three (3) traditional categories of natural  
7 gemstones, the most valuable, as distinguished from semi-precious and decorative. Diamond,  
8 ruby, emerald, sapphire and pearl have long been considered "precious," but, in accordance with  
9 their spiraling prices, alexandrite, black opal, cat's eye, demantoid, and jadeite are included in this  
10 category;

11 (6) "Price comparison" means the comparison, whether or not expressed wholly or in  
12 part in dollars, cents, fractions or percentages, in an advertisement, of a seller's current price for  
13 consumer property or services with any other price or statement of value for consumer property,  
14 whether or not these prices are actually stated in the advertisement; or, the making of price  
15 reductions claims or savings claims with respect to the seller's current price. The term includes,  
16 but shall not be limited to, such comparisons as "fifty percent off " "up to seventy percent off "  
17 "save one-third" "half-price" sale" thirty percent to seventy percent off " "was twenty dollars,  
18 now half price" "ten-dollar value, now eight dollars" "was seven dollars now six dollars" "list  
19 price fifty dollars, our price twenty-nine dollars" "clearance price" or "liquidation price";

20 (7) "Sale" means a reduction from the seller's price at which consumer property is  
21 offered to the public for a fixed period of time; and

22 (8) "Seller" means a person engaged in the sale of consumer property and includes  
23 individuals, corporations, partnerships, associations, and any other form of business organization  
24 or entity. The term shall not include banks, savings and loan associations, insurance companies,  
25 and public utilities.

26 **6-13.2-3. Records of fact. --** Any seller advertising products or services in Rhode Island  
27 for the purpose of soliciting a consumer in this state in which these advertisements ~~are contained~~  
28 contain representations of statements as to any type of saving claims, including reduced price  
29 claims and comparative value claims, shall maintain, for six (6) months, adequate records ~~which~~  
30 that disclose the factual basis for these representations or statements and from which the validity  
31 of any claims can be established.

32 **6-13.2-4. Price comparison -- General. --** (a) It shall be an unfair or deceptive act or  
33 practice for a seller to make any price comparison:

34 (1) Based upon a price other than one at which the consumer property was either sold or

1 offered for sale by the seller or a competitor, or will be sold or offered for sale by the seller in the  
2 future, in the regular course of business in the trade area in which the price comparison is made;

3 (2) In which the consumer property materially differs in composition; grade or quality;  
4 style or design; model; name or brand; kind or variety; or service and performance  
5 characteristics; unless the general nature of the material differences is conspicuously disclosed in  
6 the advertisement with the price comparison, or the class of property being offered is similar to  
7 but is of superior quality grade, materials, or draftsmanship than the consumer property to which  
8 the seller is comparing its product; or

9 (3) Unless all the material price terms and conditions of any offer ~~which is~~ that are based  
10 upon the purchase of other merchandise are conspicuously disclosed. Those types of offers shall  
11 include, but are not limited to "~~Free~~" "free"; "two for one"; "two-fer"; "half-price sale"; "one  
12 cent sale"; "fifty percent off" or other similar type of offer.

13 (b) No price comparison under this section may be made by a seller based on a price  
14 ~~which~~ that exceeds his or her cost plus normal markup regularly used by him or her in the sale of  
15 that property, or consumer property or services of like kind.

16 **6-13.2-5. Price comparison advertisements.** -- It shall be an unfair or deceptive act or  
17 practice for a seller to advertise or make any price comparison:

18 (1) Based upon a price at which consumer property was sold by the seller unless:

19 (i) The price is a price at which the consumer property was actually sold in substantial  
20 quantities by the seller in the last ninety (90) days immediately preceding the date on which the  
21 price comparison is stated in the advertisement; or

22 (ii) The price is a price at which the consumer property was actually sold in substantial  
23 quantities by the seller during any other period and the advertisement discloses with the price  
24 comparison the date, time, or seasonal period when the sales were made.

25 (2) Based upon a price at which the seller has offered for sale but has not sold consumer  
26 property unless:

27 (i) The price is ~~a~~ the price at which the consumer property was actually offered for sale  
28 by the seller for at least four (4) weeks during the last ninety (90) days immediately preceding the  
29 date on which the price comparison is stated in the advertisement; or

30 (ii) The price is a price at which the consumer property was actually offered for sale by  
31 the seller for at least four (4) weeks during any other ninety ~~(90)-day~~ -day (90) period; and the  
32 advertisement clearly discloses the date, time, or seasonal period of that offer.

33 (3) In which the seller represents that the seller is conducting a "sale" unless:

34 (i) The termination date of the "sale" is clearly stated in the advertisement; except that

1 this disclosure shall not apply to "clearance", "closeouts", "permanent markdown", or "special  
2 purchases" with limited quantities and are advertised as such; and

3 (ii) The day after the "sale" ends, the consumer property reverts in price to the price  
4 charged by the seller for the item before the "sale" began or to a price ~~which~~ that is higher than  
5 the "sale" price, except for "clearance", "closeout", or "permanent markdown" sales where the  
6 item will be reduced in price until it is removed from sale.

7 (4) Referencing a higher price at which consumer property will be offered or sold in the  
8 future unless:

9 (i) The advertisement clearly discloses that the price comparison is based upon a future  
10 price increase;

11 (ii) The effective date of the future higher price, if more than ninety (90) days after the  
12 price comparison is first stated in an advertisement, is clearly disclosed in the advertisement; and

13 (iii) The future higher price increase takes effect on the date disclosed in the  
14 advertisement or, if not disclosed in the advertisement, within ninety (90) days after the price  
15 comparison is stated in the advertisement, except where compliance becomes impossible because  
16 of circumstances beyond the seller's control.

17 (5) Based upon advertised savings of a particular percentage or a range of percentages  
18 (e.g., "save thirty percent" or "twenty percent to sixty percent off") unless:

19 (i) The minimum percent reduction is clearly stated in the advertisement in the manner  
20 as conspicuously as the maximum percentage reduction, when applicable;

21 (ii) The basis other than a regular price comparison for the advertised percentage  
22 reduction is clearly and conspicuously disclosed in the advertisement.

23 (6) Based upon the use of the term "original" or "originally", to fail to disclose that  
24 intermediate markdowns have been taken, if that is the case. A seller may use the term "original"  
25 or "originally", when offering a reduction from an original price that was the price at which the  
26 consumer property was actually offered for sale in the recent, regular course of business. If the  
27 comparative price, identified as "original" or "originally", is not also the last, previous selling  
28 price, that fact shall be disclosed, ~~by~~ by stating the last, previous selling price, (e.g., "originally  
29 \$599.95, formerly \$499.95, now \$399.95") or indicating "intermediate markdowns taken".

30 **6-13.2-6. Competitor's prices.** -- It shall be an unfair or deceptive act or practice for a  
31 seller to make any price comparison:

32 (1) Based upon a competitor's price unless:

33 (i) The competitor's price is either a price at which the competitor sold or advertised  
34 consumer property for sale at any time within the ninety ~~(90)-day~~ -day (90) period immediately

1 preceding the date on which the price comparison is stated in the advertisement, or the date on  
2 which the completed advertising copy was submitted to the printer for final printing and  
3 publication, provided each submission date does not exceed eight (8) weeks from the date of  
4 actual publication or distribution;

5 (ii) The competitor's price is a price that is representative of prices at which the  
6 consumer property is sold or advertised for sale in the trade area in which the price comparison is  
7 made and is not an isolated price; or

8 (iii) Disclosure is made with the price comparison that the price used as a basis for the  
9 comparison was not the seller's own price.

10 (2) Based upon a "manufacturer's suggested price"; "distributor's suggested price"; "list  
11 price"; "suggested retail"; or any similar term implying a suggested or list price established by  
12 anyone other than the seller, unless either:

13 (i) The seller has actually offered and sold the consumer property for sale at the  
14 suggested price as its regular price; or

15 (ii) The seller can substantiate that it is the actual price at which the consumer property  
16 was being offered for sale by representative retailers in the trade area in which the claim is made  
17 at any time within the ninety ~~(90)-day~~ -day (90) period immediately preceding either the date on  
18 which the price comparison is stated in the advertisement; the comparative price is for property  
19 of same composition, grade, or quality, style or design, model, name or brand, kind or variety; or  
20 the date on which the completed advertising copy was submitted to the printer for final printing  
21 and publication, provided the submission date does not exceed eight (8) weeks from the date of  
22 actual publication or distribution.

23 **6-13.2-7. Retail price labels.** -- A price label or tag permanently imprinted on or affixed  
24 to consumer property or its container, by the manufacturer or supplier ("preticketed price"), and  
25 not under control of the retail seller or instigated by him or her, or ~~which~~ that is required to be  
26 attached to consumer property under federal law, need not be covered, obliterated, or removed for  
27 purposes of compliance with this statute, unless that item was actually sold at that labeled price in  
28 not insubstantial quantities on a substantial basis:

29 (1) When the retail seller's current offering price is attached to, printed on, or placed on a  
30 label, tag, or sign accompanying the consumer property, provided no price comparison is made  
31 by the retail seller based solely on the manufacturer's price thereon unless the comparison would  
32 be valid based on past sales records; or

33 (2) When the retail seller's original offering price attached to, printed on, or placed on a  
34 label, tag, or sign accompanying the consumer property, is identical to the preticketed price.

1 SECTION 12. Sections 6-13.3-1, 6-13.3-2, 6-13.3-3 and 6-13.3-4 of the General Laws in  
2 Chapter 6-13.3 entitled "Environmental Marketing Act" are hereby amended to read as follows:

3 **6-13.3-1. Declaration of policy.** -- (1) It is the public policy of the state that  
4 environmental marketing claims, whether explicit or implied, must be substantiated by competent  
5 and reliable evidence so as not to deceive or mislead consumers about the environmental impact  
6 of products and packages.

7 (2) Accurate and useful information about the environmental impact of products and  
8 packages must be made available to consumers. The uniform standards for environmental  
9 marketing claims, as contained in the ~~FTC~~ [Federal Trade Commission](#) guidelines for  
10 environmental marketing claims are hereby adopted by the state of Rhode Island.

11 **6-13.3-2. Deceptive environmental marketing claims.** -- It is unlawful for any person,  
12 in the course of that person's business, vocation or occupation, to make any untruthful, deceptive,  
13 or misleading environmental marketing claims about a product or package sold or offered for sale  
14 in this state. For the purposes of this chapter, "person" means any individual, corporation,  
15 partnership, or other legal entity.

16 **6-13.3-3. Remedies.** -- (a) If the attorney general has probable cause to believe that a  
17 person is violating or has violated ~~section §~~ 6-13.3-2, the attorney general may bring suit in the  
18 name of Rhode Island in the appropriate court to restrain that person from further violations of  
19 that section.

20 (b) Before filing a suit under subsection (a) of this section, the attorney general shall, in  
21 writing, notify the person charged with the alleged violation of the alleged unlawful conduct and  
22 the relief to be sought. No suit shall be brought by the attorney general until thirty (30) days after  
23 that notice.

24 (c) The court may award reasonable attorney fees at trial and on appeal to a prevailing  
25 party in a suit brought under this section.

26 **6-13.3-4. Defenses.** -- It shall be a defense to any suit brought under this chapter that the  
27 person's environmental marketing claims conform to the standards or are consistent with the  
28 examples contained in the guides for use of environmental marketing claims published by the  
29 ~~federal trade commission~~ [Federal Trade Commission](#) July 27, 1992.

30 SECTION 13. Sections 6-14-3, 6-14-4, 6-14-6, 6-14-7, 6-14-8, 6-14-9, 6-14-10, 6-14-11,  
31 6-14-11.1, 6-14-12 and 6-14-13 of the General Laws in Chapter 6-14 entitled "Closing Out Sales"  
32 are hereby amended to read as follows:

33 **6-14-3. License required for sale.** -- No person shall offer for sale a stock of goods,  
34 wares, and merchandise under the description of "closing\_out sale"; "going\_out\_of\_business



1 sale;" "discontinuance\_of\_business sale;" "selling out;" "liquidation;" "lost our lease;" "must  
2 vacate;" "forced out;" "removal;" or other designation of like meaning, or a sale of goods,  
3 wares, and merchandise damaged by fire, smoke, water, or otherwise, unless he or she shall have  
4 first obtained a license to conduct a sale from the clerk of the city or town in which he or she  
5 proposes to conduct a sale.

6 **6-14-4. Application for license.** -- The applicant for a license shall make an application  
7 to the clerk, in writing and under oath, at least fourteen (14) days prior to the opening date of the  
8 sale, showing all the facts in regard to the "closing out sale;" "going\_out\_of\_business sale;"  
9 "discontinuance\_of\_business sale;" "selling out;" "liquidation;" "lost our lease;" "must vacate;"  
10 "forced out;" "removal;" or other designation of like meaning, or in regard to the damage caused  
11 to the goods, wares, and merchandise by fire, smoke, water, or otherwise, and showing all the  
12 facts in regard to the sale ~~which~~ that the applicant proposes to conduct and the place and manner  
13 of conducting the sale including an inventory of the goods, wares, and merchandise to be sold at  
14 the sale, which inventory shall contain only goods, wares, and merchandise actually in the place  
15 of business in or at which the sale is to be conducted at the time of the application together with  
16 the established retail price of the goods, wares, and merchandise, and a statement, as far as  
17 possible, of the names of the persons from whom the goods, wares, and merchandise to be sold  
18 were obtained; the date of the delivery of the goods, wares and merchandise to the person  
19 applying for the license; and the place from which the goods, wares, and merchandise were last  
20 taken; and all details to fully identify the goods, wares, and merchandise to be sold. The  
21 application shall specify the proposed period of time over which the sale shall continue, which  
22 period shall not exceed sixty (60) days; provided, that if it shall be made to appear upon sworn  
23 application to the city or town clerk, at any time during the period of sixty (60) days, that all of  
24 the goods, wares, and merchandise described and inventoried in the original application have not  
25 been sold and if upon the application it is accompanied by a statement of inventory of what  
26 remains, a license supplemental to the one provided for in ~~section~~ § 6-14-6 shall be issued by the  
27 clerk upon the same terms and conditions as the original license granting authority to continue the  
28 sale for a period of only thirty (30) days. The original application shall also specify whether the  
29 applicant proposes to advertise or conduct the sale as a "closing out sale;" "going\_out\_of\_business  
30 sale;" "discontinuance\_o\_f business sale;" "selling out;" "liquidation;" "lost our lease;" "must  
31 vacate;" "forced out;" "removal;" or other designation of like meaning, or a sale of goods,  
32 wares, and merchandise damaged by fire, smoke, water, or otherwise.

33 **6-14-6. Issuance of license -- Bond -- Change of ownership.** -- If the clerk shall be  
34 satisfied from the application that the proposed sale is of the character ~~which~~ that the applicant

1 desires to conduct and advertise, the clerk shall issue a license, upon the payment of the fee of  
2 one hundred dollars (\$100), together with a good and sufficient bond, payable to the city or town  
3 in the penal sum of one thousand dollars (\$1,000), with sureties approved by a justice of the  
4 district court whose judicial district is situated in the city or town in which the sale is to be  
5 conducted, conditioned upon compliance with ~~sections §§~~ 6-14-3 and 6-14-4 and other pertinent  
6 sections of this chapter, to the person applying for the license, authorizing him or her to advertise  
7 and conduct a sale of the particular kind mentioned in the application, according to the  
8 requirements of this chapter; provided, that, after a change in the ownership of the whole of the  
9 goods, wares, and merchandise, or of the entire balance in case a portion has already been sold,  
10 no person shall carry on the sale until the new owner of the goods, wares, and merchandise or  
11 balance of the goods, wares, and merchandise shall have obtained from the city or town clerk the  
12 license required by ~~section §~~ 6-14-3 in the manner previously provided; provided further,  
13 however, that any merchant who shall have been conducting a business in the same location  
14 where the sale is to be held for a period of at least one full year, prior to the holding of the sale,  
15 shall be exempted from the payment of the fee and the filing of the bond provided for in this  
16 section.

17 **6-14-7. Record of license application. --** Every city or town clerk to whom application is  
18 made as provided for in ~~section §~~ 6-14-4, shall endorse upon the application the date of its filing;  
19 ~~and~~ shall preserve the application as a record of this office; and shall make an abstract of the  
20 facts stated in the application in a book kept for that purpose, properly indexed, containing the  
21 name of the person asking for the license; the nature of the proposed sale; the place where the  
22 sale is to be conducted; its duration; the inventory value of the goods, wares, and merchandise to  
23 be sold; and a general statement as to where the goods, wares, and merchandise came from, and  
24 shall make in the book a notation as to the issuance or refusal of that license applied for together  
25 with the date of the issuance or refusal; and shall endorse on the application the date the license is  
26 granted or refused, and the application and abstract shall be prima facie evidence of all statements  
27 therein contained. A copy of the application shall be forwarded by the city or town clerk to the  
28 office of the department of the attorney general.

29 **6-14-8. Acts authorized by license. --** The license as provided for in ~~sections §§~~ 6-14-3 -  
30 - 6-14-6 shall be valid only for a sale of the goods, wares, and merchandise inventoried and  
31 described in the application for the license in the manner and at the time and place mentioned and  
32 presented in the application and any advertising relating to the sale shall prominently state the  
33 designation of the sale as contained in the license granted; the final date of the sale; and the  
34 license number. No license shall thereafter issue for conducting a sale of any goods, wares, and

1 merchandise ~~which~~ that have been removed from the place of sale inventoried and described in  
2 the application for the license under the provisions of this chapter at any other place or places.

3 **6-14-9. Additions to stock in contemplation of sale.** -- No person, in contemplation of  
4 conducting a "closing\_out\_sale"; "going\_out\_of\_business sale"; "discontinuance\_of\_business  
5 sale"; "selling out"; "liquidation"; "lost our lease"; "must vacate"; "forced out"; "removal"; or  
6 a sale of other designation of like meaning; or a sale of goods, wares, and merchandise damaged  
7 by fire, smoke, water, or otherwise, under a license as provided for in ~~sections~~ §§ 6-14-3 -- 6-14-  
8 6, shall order any goods, wares, or merchandise for the purpose of selling and disposing of the  
9 goods, wares, or merchandise at the sale, and any unusual purchase and additions to the stock of  
10 the goods, wares, and merchandise within thirty (30) days prior to the filing of the application for  
11 license to conduct the sale mentioned in ~~section~~ § 6-14-3 shall be presumptive evidence that the  
12 purchases and additions to stock were made in contemplation of the sale and for the purpose of  
13 selling the purchases and additions to stock at the sale.

14 **6-14-10. Additions during sale.** -- No person carrying on or conducting a "closing\_out  
15 sale"; "going\_out\_of\_business sale"; "discontinuance\_of\_business sale"; "selling out";  
16 "liquidation"; "lost our lease"; "must vacate"; "forced out"; "removal"; or a sale of other  
17 designation of like meaning; or a sale of goods, wares, and merchandise damaged by fire, smoke,  
18 water, or otherwise, under a license as provided for in ~~sections~~ §§ 6-14-3 -- 6-14-6 shall, during  
19 the continuance of the sale, for the purpose of selling and disposing of the goods, wares, and  
20 merchandise at the sale, add any goods, wares, and merchandise to the stock of goods, wares, or  
21 merchandise described and inventoried in the original application for the license, and no goods,  
22 wares, or merchandise described and inventoried in the original application, and each addition of  
23 goods, wares, or merchandise to the stock of goods, wares, or merchandise described and  
24 inventoried in the application, for the purpose of selling and disposing of the goods, wares, and  
25 merchandise at the sale, and each sale of the goods, wares, and merchandise at the sale, that were  
26 not inventoried and described in the application, shall constitute a separate offense under this  
27 chapter.

28 **6-14-11. Continuance of business after expiration of license.** -- Any person who, under  
29 the provisions of this chapter, conducts a "closing\_out\_sale"; "going\_out\_of\_business sale";  
30 "discontinuance\_of\_business sale"; "selling out"; "liquidation"; "lost our lease"; "must vacate";  
31 "forced out"; "removal"; or a sale of other designation of like meaning, or a sale of goods,  
32 wares, and merchandise damaged by fire, smoke, water, or otherwise, beyond the date specified  
33 by the sale, or who upon conclusion of the sale: (1) Continues that business ~~which~~ that had been  
34 represented as "closing out," or "going out of business," or by similar designation as described in

1 this chapter; or (2) Having discontinued the business, resumes the business within one year from  
2 the expiration date of the license for the sale provided for in this chapter, under the same name, or  
3 under a different name, at the same location, or elsewhere in the same city or town where the  
4 inventory for the sale was filed, or who, upon conclusion of the sale, continues business contrary  
5 to the designation of the sale; shall be deemed guilty of a misdemeanor and shall, upon  
6 conviction, be fined in a sum not less than fifty dollars (\$50.00) nor more than five hundred  
7 dollars (\$500) or shall be imprisoned for not less than ten (10) days nor more than six (6) months,  
8 or both, within the discretion of the court.

9 **6-14-11.1. Purchase of stock or inventory following a sale.** -- (a) It shall be unlawful  
10 for any person who purchases from another the remaining stock or inventory or a portion of the  
11 stock or inventory remaining from a "closing\_out sale"; "going\_out\_of\_business sale";  
12 "discontinuance\_of\_business sale"; "selling out"; "liquidation"; "lost our lease"; "must vacate";  
13 "forced out"; "removal"; or other designation of like meaning; or a sale of goods, wares, and  
14 merchandise damaged by fire, smoke, water, or otherwise; or who purchases stock or inventory  
15 from a person who no longer sells similar merchandise at the same location; to engage in the  
16 following conduct:

17 (1) To advertise that the stock previously belonging to the original person or business is  
18 being offered for sale unless it is clearly stated what portion of the total merchandise as a  
19 percentage of the total dollar value of the entire inventory being offered for sale is the goods that  
20 were purchased from the original person or business.

21 (2) To offer for sale stock previously belonging to the original person or business along  
22 with additional merchandise unless items belonging to the original person or business are clearly  
23 labeled as such.

24 (b) Any person who shall violate the provisions of this section shall be deemed guilty of  
25 a misdemeanor, and shall, upon conviction, be fined in the sum of not less than fifty dollars  
26 (\$50.00) nor more than five hundred dollars (\$500), or shall be imprisoned for not less than ten  
27 (10) days nor more than six (6) months, or both, within the discretion of the court. In lieu of, or in  
28 addition to the penalty previously provided in this subsection, the court may order the defendant  
29 to pay to the court a sum not to exceed five hundred dollars (\$500) for the purpose of paying for  
30 an advertisement, prepared by the department of the attorney general, for placement in Rhode  
31 Island newspapers, pointing out the violation(s) of this section as presented in the false  
32 advertising, provided that the advertisement shall not indicate the name or address of the person  
33 convicted under the provisions of this section.

34 **6-14-12. Unlicensed sales.** -- Any person who shall advertise, represent, or hold out for

1 sale a stock of goods, wares, and merchandise under the description of "closing-out sale";  
2 "going-out-of-business sale"; "discontinuance-of-business sale"; "selling out"; "liquidation";  
3 "lost our lease"; "must vacate"; "forced out"; "removal"; or other designation of like meaning;  
4 or a sale of goods, wares, and merchandise damaged by fire, smoke, water, or otherwise, without  
5 first having complied with the provisions of this chapter, shall be deemed guilty of a  
6 misdemeanor and shall, upon conviction, be fined in a sum not less than fifty dollars (\$50.00) nor  
7 more than five hundred dollars (\$500), or shall be imprisoned for not less than ten (10) days nor  
8 more than six (6) months, or both, within the discretion of the court.

9 **6-14-13. Penalty for violations generally.** -- Any person who shall hold, conduct, or  
10 carry on any sale of goods, wares, or merchandise under the description of "closing-out sale";  
11 "going-out-of-business sale"; "discontinuance-of-business sale"; "selling out"; "liquidation";  
12 "lost our lease"; "must vacate"; "forced out"; "removal"; or other designation of like meaning;  
13 or a sale of goods, wares, and merchandise damaged by fire, smoke, water, or otherwise, contrary  
14 to the provisions of this chapter, or who shall violate any of the provisions of this chapter, shall be  
15 deemed guilty of a misdemeanor and shall, upon conviction, be fined in the sum of not less than  
16 fifty dollars (\$50.00) nor more than five hundred dollars (\$500), or shall be imprisoned for not  
17 less than ten (10) days nor more than six (6) months, or both, within the discretion of the court. In  
18 lieu of, or in addition to, the penalty previously provided in this section, the court may order the  
19 defendant to pay to the court a sum not to exceed five hundred dollars (\$500) for the purpose of  
20 paying for an advertisement, prepared by the department of the attorney general, for placement in  
21 Rhode Island newspapers, pointing out the violation(s) of this chapter as presented in the false  
22 advertising, provided that the advertisement shall not indicate the name or address of the person  
23 convicted under the provisions of this chapter.

24 SECTION 14. Sections 6-16-1, 6-16-2, 6-16-5, 6-16-5.1, 6-16-6, 6-16-8.1, 6-16-8.2 and  
25 6-16-9 of the General Laws in Chapter 6-16 entitled "Uniform Fraudulent Transfer Act" are  
26 hereby amended to read as follows:

27 **6-16-1. Definitions.** -- As used in this chapter:

28 (1) "Affiliate" means:

29 (i) A person who directly or indirectly owns, controls, or holds with power to vote  
30 twenty percent (20%) or more of the outstanding voting securities of the debtor, other than a  
31 person who holds the securities:

32 (A) As a fiduciary or agent without sole discretionary power to vote the securities; or

33 (B) Solely to secure a debt, if the person has not exercised the power to vote;

34 (ii) A corporation, twenty percent (20%) or more of whose outstanding voting securities

1 are directly or indirectly owned, controlled, or held with power to vote by the debtor or a person  
2 who directly or indirectly owns, controls, or holds, with power to vote, twenty percent (20%) or  
3 more of the outstanding voting securities of the debtor, other than a person who holds the  
4 securities:

5 (A) As a fiduciary or agent without sole power to vote the securities; or

6 (B) Solely to secure a debt, if the person has not in fact exercised the power to vote;

7 (iii) A person whose business is operated by the debtor under a lease or other agreement,  
8 or a person substantially all of whose assets are controlled by the debtor; or

9 (iv) A person who operates the debtor's business under a lease or other agreement or  
10 controls substantially all of the debtor's assets.

11 (2) "Asset" means property of a debtor, but the term does not include:

12 (i) Property to the extent it is encumbered by a valid lien;

13 (ii) Property to the extent it is generally exempt under nonbankruptcy law; or

14 (iii) An interest in property held in tenancy by the entireties to the extent it is not subject  
15 to process by a creditor holding a claim against only one tenant.

16 (3) "Claim" means a right to payment, whether or not the right is reduced to judgment,  
17 liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal,  
18 equitable, secured, or unsecured.

19 (4) "Creditor" means a person who has a claim.

20 (5) "Debt" means liability on a claim.

21 (6) "Debtor" means a person who is liable on a claim.

22 (7) "Insider" includes:

23 (i) If the debtor is an individual:

24 (A) A relative of the debtor or of a general partner of the debtor;

25 (B) A partnership in which the debtor is a general partner;

26 (C) A general partner in a partnership described in subdivision (7)(i)(B); or

27 (D) A corporation of which the debtor is a director, officer, or person in control;

28 (ii) If the debtor is a corporation:

29 (A) A director of the debtor;

30 (B) An officer of the debtor;

31 (C) A person in control of the debtor;

32 (D) A partnership in which the debtor is a general partner;

33 (E) A general partner in a partnership described in subdivision (7)(ii)(D); or

34 (F) A relative of a general partner, director, officer, or person in control of the debtor;.

- 1 (iii) If the debtor is a partnership:
- 2 (A) A general partner in the debtor;
- 3 (B) A relative of a general partner in, a general partner of, or a person in control of the
- 4 debtor;
- 5 (C) Another partnership in which the debtor is a general partner;
- 6 (D) A general partner in a partnership described in subdivision (7)(iii)(C); or
- 7 (E) A person in control of the debtor;
- 8 (iv) An affiliate, or an insider of an affiliate as if the affiliate were the debtor; and
- 9 (v) A managing agent of the debtor.

10 (8) "Lien" means a charge against, or an interest in, property to secure payment of a debt

11 or performance of an obligation, and includes a security interest created by agreement; a judicial

12 lien obtained by legal or equitable process or proceedings; a common-law lien; or a statutory

13 lien.

14 (9) "Person" means an individual, partnership, corporation, association, organization,

15 government or governmental subdivision or agency, business trust, estate, trust, or any other legal

16 or commercial entity, but does include the Rhode Island depositors economic protection

17 corporation.

18 (10) "Property" means anything that may be the subject of ownership.

19 (11) "Relative" means an individual related by consanguinity within the third degree as

20 determined by the common law, a spouse, or an individual related to a spouse within the third

21 degree as so determined, and includes an individual in an adoptive relationship within the third

22 degree.

23 (12) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary

24 or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes

25 payment of money, release, lease, and creation of a lien or other encumbrance.

26 (13) "Valid lien" means a lien that is effective against the holder of a judicial lien

27 subsequently obtained by legal or equitable process or proceedings.

28 **6-16-2. Insolvency.** -- (a) A debtor is insolvent if the sum of the debtor's debts is greater

29 than all of the debtor's assets at a fair valuation.

30 (b) A debtor who is generally not paying his or her debts as they become due is

31 presumed to be insolvent.

32 (c) A partnership is insolvent under subsection (a) if the sum of the partnership's debts is

33 greater than the aggregate, at a fair valuation, of all of the partnership's assets and the sum of the

34 excess of the value of each general partner's nonpartnership assets over the partner's



1 nonpartnership debts.

2 (d) Assets under this section do not include property that has been transferred, concealed,  
3 or removed with intent to hinder, delay, or defraud creditors or that ~~has~~ have been transferred in a  
4 manner making the transfer voidable under this chapter.

5 (e) Debts under this section do not include ~~an obligation~~ obligations to the extent ~~it is~~  
6 they are secured by a valid lien on property of the debtor not included as an asset.

7 **6-16-5. Transfers fraudulent as to present creditors.** -- (a) A transfer made or  
8 obligation incurred by a debtor is fraudulent as to a creditor whose claim arose before the transfer  
9 was made or the obligation was incurred if the debtor made the transfer or incurred the obligation  
10 without receiving a reasonably equivalent value in exchange for the transfer or obligation and the  
11 debtor was insolvent at that time~~;~~ or the debtor became insolvent as a result of the transfer or  
12 obligation.

13 (b) A transfer made by a debtor is fraudulent as to a creditor whose claim arose before  
14 the transfer was made if the transfer was made to an insider for an antecedent debt~~;~~ the debtor  
15 was insolvent at that time~~;~~ and the insider had reasonable cause to believe that the debtor was  
16 insolvent.

17 **6-16-5.1. Transfers fraudulent as to depository creditors of financial institutions**  
18 **closed by proclamation of the governor dated January 1, 1991 -- Remedies.** -- (a) A transfer  
19 made or obligation incurred by any financial institution closed by proclamation of the governor  
20 dated January 1, 1991, is fraudulent as to any depository creditor of record of any such financial  
21 institution as of January 1, 1991, if the transfer or obligation involved either:

22 (1) The withdrawal of deposits from the financial institution by any officer, director, or  
23 employee of the financial institution or of the Rhode Island share and deposit indemnity  
24 corporation, with knowledge of the actual or impending insolvency and/or the impending closing  
25 of the financial institution or of the actual or impending insolvency of and/or the actual or  
26 impending cessation of business by the Rhode Island share and deposit indemnity corporation,  
27 and for the purpose of avoiding the loss of funds and/or access to funds in any depository account  
28 in the financial institution;

29 (2) The encumbrance of any assets of the financial institution to or for the benefit of any  
30 officer, director, or employee of the financial institution or of the Rhode Island share and deposit  
31 indemnity corporation, with knowledge of the actual or impending insolvency and/or the  
32 impending closing of the financial institution or of the actual or impending insolvency of and/or  
33 the actual and/or impending cessation of business by the Rhode Island share and deposit  
34 indemnity corporation, and for the purpose of avoiding the loss of funds and/or access to funds in

1 any depository account in the financial institution; or

2 (3) A transfer or obligation defined as fraudulent under ~~section~~ [§§ 6-16-4 or 6-16-5](#).

3 (b) In addition to any remedies provided by ~~section~~ [§ 6-16-7](#), (1) any financial institution  
4 closed by proclamation of the governor dated January 1, 1991; ~~and~~ (2) any assignees of and  
5 successors in interest to any such financial institution; ~~and~~ (3) any depository ~~creditors~~ [creditor](#)  
6 of record of any such financial institution as of January 1, 1991, who suffers monetary loss as a  
7 result of a transfer or conveyance defined as fraudulent under this section or who is otherwise  
8 aggrieved by the transfer or conveyance, shall have a private cause of action at law and in equity  
9 against any officer, director, or employee of the financial institution or of the Rhode Island share  
10 and deposit indemnity corporation to whom the subject transfer was made or to whom or for  
11 whose benefit any assets of the financial institution were encumbered.

12 **6-16-6. When transfer is made or obligation is incurred.** -- For the purposes of this  
13 chapter:

14 (1) A transfer is made:

15 (i) With respect to an asset that is real property other than a fixture, but including the  
16 interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so  
17 far perfected that a ~~good-faith~~ [good-faith](#) purchaser of the asset from the debtor against whom  
18 applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is  
19 superior to the interest of the transferee; and

20 (ii) With respect to an asset that is not real property or that is a fixture, when the transfer  
21 is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than  
22 under this chapter that is superior to the interest of the transferee;

23 (2) If applicable law permits the transfer to be perfected as provided in subdivision (1)  
24 and the transfer is not so perfected before the commencement of an action for relief under this  
25 chapter, the transfer is deemed made immediately before the commencement of the action;

26 (3) If applicable law does not permit the transfer to be perfected as provided in  
27 subdivision (1), the transfer is made when it becomes effective between the debtor and the  
28 transferee;

29 (4) A transfer is not made until the debtor has acquired rights in the asset transferred;

30 (5) An obligation is incurred:

31 (i) If oral, when it becomes effective between the parties; or

32 (ii) If evidenced by a writing, when the writing executed by the obligor is delivered to or  
33 for the benefit of the obligee.

34 **6-16-8.1. Intentional concealment of support.** -- (a) Whoever receives or conceals an

1 asset of another knowing that the asset is being transferred for the purpose of concealing it to  
2 avoid payment of an order or judgment for support issued pursuant to chapters 5, 9, 10, 11.1, and  
3 13 ~~under of~~ title 15, or pursuant to any similar laws of other states, shall be punished by a fine of  
4 not more than five thousand dollars (\$5,000) or by imprisonment for not more than two (2) years,  
5 or by both that fine and imprisonment.

6 (b) Whoever shall transfer an asset for the purpose of concealing it to avoid payment of  
7 an order or judgment for support issued pursuant to chapters 5, 9, 10, 11.1, and 13 ~~under of~~ title  
8 15, or pursuant to any similar laws of other states, shall be punished by a fine of not more than  
9 five thousand dollars (\$5,000) or by imprisonment for not more than two (2) years, or both by  
10 that fine or imprisonment.

11 **6-16-8.2. Fraudulent conveyance by transferor of child support -- Civil action. --** (a)

12 A person who has been adjudged to be in contempt of an order or judgment for child support  
13 entered pursuant to chapters 9, 10, 11.1, and 13 ~~under of~~ title 15 who knowingly makes a  
14 conveyance without fair consideration to an individual for a fraudulent purpose relating to  
15 avoiding payment of the order or judgment shall be liable in a civil action to the obligee under the  
16 order or judgment in an amount equal to the value of the conveyance made.

17 (b) A person shall not be liable under this section if the conveyance made does not  
18 exceed one hundred dollars (\$100) in value in any calendar year.

19 (c) For the purpose of this section, "conveyance" means any payment of money, gift,  
20 assignment, transfer, or lease of tangible or intangible property.

21 (d) A conveyance shall be deemed to be made without fair consideration unless the  
22 conveyance was made in exchange for property or goods of equal value or to satisfy an existing  
23 debt created in good faith.

24 **6-16-9. Extinguishment of cause of action. --** A cause of action with respect to a  
25 fraudulent transfer or obligation under this chapter is extinguished unless action is brought:

26 (1) Under ~~section §~~ 6-16-4(a)(1); within four (4) years after the transfer was made or the  
27 obligation was incurred or, if later, within one year after the transfer or obligation was or could  
28 reasonably have been discovered by the claimant;

29 (2) Under ~~section §§~~ 6-16-4(a)(2) or 6-16-5(a), within four (4) years after the transfer  
30 was made or the obligation was incurred; or

31 (3) Under ~~section §~~ 6-16-5(b); within one year after the transfer was made or the  
32 obligation was incurred.

33 SECTION 15. Sections 6-26-2, 6-26-3, 6-26-4, 6-26-6 and 6-26-7 of the General Laws in  
34 Chapter 6-26 entitled "Interest and Usury" are hereby amended to read as follows:

1           **6-26-2. Maximum rate of interest.** -- (a) Subject to the provisions of title 19, no person,  
2 partnership, association, or corporation loaning money to or negotiating the loan of money for  
3 another, except duly licensed pawnbrokers, shall, directly or indirectly, reserve, charge, or take  
4 interest on a loan, whether before or after maturity, at a rate ~~which~~ that shall exceed the greater of  
5 twenty-one percent (21%) per annum or the alternate rate specified in subsection (b) of this  
6 section of the unpaid principal balance of the net proceeds of the loan not compounded, nor taken  
7 in advance, nor added on to the amount of the loan.

8           (b) The alternate rate means the rate per annum ~~which~~ that is equal to nine percentage  
9 points (9%) plus an index ~~which~~ that is the domestic prime rate as published in the Money Rates  
10 section of The Wall Street Journal on the last business day of each month preceding the later of  
11 the date of the debtor's agreement or the date on which the interest rate is redetermined in  
12 accordance with the terms of the debtor's agreement. If the Wall Street Journal ceases publication  
13 of the prime rate, the director of business regulation shall designate a substantially equivalent  
14 index. In the event an index is published as a range of rates, then the lowest rate shall be the  
15 index.

16           (c) (1) For purposes of this section, interest shall not be construed to include:

17           (i) Charges pursuant to ~~chapters~~ chapter 30 ~~and 31~~ of title 27;

18           (ii) Premiums for insurance in an amount not exceeding the reasonable value of property  
19 offered as security for a loan against any substantial risk of loss, liability, damage, or destruction  
20 in conformity with the insurance laws of this state;

21           (iii) Premiums for insurance providing loss of income or involuntary unemployment  
22 coverage if the coverage is not a factor in the approval by the lender of the extension of credit and  
23 the debtor gives specific written indication that the cost of this coverage has been conspicuously  
24 disclosed to the debtor; ; that the debtor realizes that the coverage is not a condition for the  
25 extension of credit; ; and that the debtor voluntarily desires the coverage;

26           (iv) Commercial loan commitment or availability fees to assure the availability of a  
27 specified amount of credit for a specified period of time or, at the borrower's option,  
28 compensating balances in lieu of the fees;

29           (v) Reasonable attorney's fees customarily charged for the preparation of loan, security,  
30 or mortgage documents and for the collection of defaulted loans;

31           (vi) Fees for title examination or title insurance;

32           (vii) Other customary and reasonable costs incident to the closing, supervision, and  
33 collection of loans in this state; and

34           (viii) Consideration received for the redemption, sale, transfer, or other disposition of

1 equity securities by a small business investment company licensed under the provisions of the  
2 "Small Business Investment Act of 1958", 15 U.S.C. section 631 et seq., as amended, or an entity  
3 ~~which~~ that would qualify for regulation as a business development company under the provisions  
4 of the "Investment Company Act of 1940", 15 U.S.C. section 80a-1 et seq., as amended, whether  
5 or not the equity securities were acquired by a small business investment company or business  
6 development company in connection with or as an incident to the extension of credit.

7 (2) Any of the preceding charges, if paid or advanced by the lender, may be considered  
8 part of the net proceeds of the loan, and if paid by the debtor, shall not be deducted from the net  
9 proceeds of the loan.

10 (d) Notwithstanding anything to the contrary in this chapter or in any other provision of  
11 Rhode Island law, the provisions of this chapter shall not be applicable with respect to credit card  
12 transactions as defined in chapter 26.1 of this title. Chapter 26.1 shall apply exclusively to all  
13 such transactions.

14 (e) Notwithstanding the provisions of subsection (a) of this section and/or any other  
15 provision in this chapter to the contrary, there is no limitation on the rate of interest ~~which~~ that  
16 may be legally charged for the loan to, or use of money by, a commercial entity, where the  
17 amount of money loaned exceeds the sum of one million dollars (\$1,000,000) and where  
18 repayment of the loan is not secured by a mortgage against the principal residence of any  
19 borrower; provided, that the commercial entity has first obtained a pro forma methods analysis  
20 performed by a certified public accountant licensed in the state of Rhode Island indicating that the  
21 loan is capable of being repaid.

22 **6-26-3. Criminal usury. --** Any person, who, on his or her own behalf or on behalf of  
23 any other person, partnership, corporation, or association, shall willfully and knowingly violate  
24 any of the provisions of ~~section §~~ § 6-26-2, shall be guilty of criminal usury and shall be  
25 imprisoned for not more than five (5) years.

26 **6-26-4. Usurious contracts -- Penalty. --** (a) Every contract made in violation of any of  
27 the provisions of ~~section §~~ § 6-26-2, and every mortgage, pledge, deposit, or assignment made or  
28 given as security for the performance of the contract, shall be usurious and void.

29 (b) Nothing contained in this section shall affect the rights of an ~~indorsee~~ endorsee or  
30 transferee of a negotiable instrument, who purchases the instrument before maturity, for value,  
31 and without notice of its usurious character.

32 (c) Nothing contained in this section shall affect the rights, duties or liabilities of any  
33 persons acting under the provisions of title 19, and if the borrower shall, either before or after  
34 suit, make any payment on the contract, either of principal or interest, or of any part of either, and

1 whether to the lender or to any assignee, ~~indorse~~ endorsee, or transferee of the contract, the  
2 borrower shall be entitled to recover from the lender the amount so paid in an action of the case.  
3 Receipts shall be given whenever payments are made of either principal or interest.

4 (d) The provisions previously stated in this section shall not apply to any financial  
5 institution and its subsidiaries, credit union, or bank holding company and its subsidiaries,  
6 organized under the laws of the state; ~~any other entity regulated by the department of business~~  
7 ~~regulation;~~ a national bank and its subsidiaries; ~~federal savings and loan association or federal~~  
8 ~~credit union;~~ or a bank, company, or association collectively and individually referred to as a  
9 regulated financial institution. In the event a regulated financial institution knowingly contracts or  
10 charges a usurious rate of interest in violation of any of the provisions of ~~section §~~ 6-26-2, it shall  
11 forfeit the entire interest on the debt. In case the usurious rate of interest has been paid, the person  
12 by whom it has been paid, or his or her legal representative, may recover from the regulated  
13 financial institution in an action in the nature of an action on the debt, twice the amount of the  
14 interest so paid, provided that the action is commenced within two (2) years from the time the  
15 usurious transaction occurred.

16 **6-26-6. Damages and interest on foreign protested bill of exchange. --** Whenever any  
17 foreign bill of exchange is or shall be drawn or endorsed within this state for the payment of any  
18 sum of money, and the bill is or shall be returned from any place or country outside the limits of  
19 the United States protested for nonacceptance or nonpayment, the drawer or endorser shall be  
20 subject to the payment of ten percent (10%) damages on the bill and charges for protest; ~~and the~~  
21 bill shall carry an interest of six percent (6%) per annum from the date of the protest.

22 **6-26-7. Action on foreign protested bill. --** Any person having a right to demand any  
23 sum of money upon a foreign protested bill of exchange as stated in ~~section §~~ 6-26-6; may  
24 commence and prosecute an action for principal, damages, interest, and charges of protest against  
25 the drawers and endorsers, jointly or severally, or against either of them separately; and judgment  
26 shall and may be given for the principal, damages, ~~and~~ charges, ~~and~~ interest upon the principal  
27 after the rate established in ~~section §~~ 6-26-6, to the time of the judgment, together with costs of  
28 suit.

29 SECTION 16. Sections 6-26.1-1, 6-26.1-2, 6-26.1-3, 6-26.1-4, 6-26.1-5, 6-26.1-9, 6-  
30 26.1-11 and 6-26.1-12 of the General Laws in Chapter 6-26.1 entitled "Credit Card Lending" are  
31 hereby amended to read as follows:

32 **6-26.1-1. Definitions. --** For purposes of this chapter, the following definitions shall  
33 apply:

34 (1) "Credit card device" includes any means of making a credit card transaction available

1 to a borrower pursuant to a credit card plan, including, but not limited to, a card, draft or check,  
2 identification code, other means of identification, or other credit device or code, whether made  
3 directly or indirectly by means of telephone, point of sale terminal, automated teller machine,  
4 computer or other electronic or other communication or device, or through the mail.

5 (2) "Credit card lender" or "lender" means any entity that is a lending institution as  
6 defined by ~~section §~~ 19-9-1, or licensee as defined by ~~section §~~ 19-14-1, ~~which that~~ offers or  
7 extends credit in the form of a credit card transaction.

8 (3) "Credit card transaction" means any loan or extension of credit made pursuant to a  
9 credit card plan. Without limitation of the foregoing, a credit card transaction may be extended  
10 under a credit card plan by a credit card lender's acquisition of obligations arising out of the  
11 honoring by a merchant, or other third-party; a credit card lender or other financial institution  
12 (whether chartered or organized under the laws of this or any other state, the District of  
13 Columbia, the United States or any district, territory or possession of the United States, or any  
14 foreign country); or a government or governmental subdivision or agency of a credit card device.

15 (4) "Credit card plan" or "plan" means any arrangement or plan between a borrower and  
16 a credit card lender for open-end, revolving extensions of credit made available through a credit  
17 card device, provided, however, said "credit card plan" or "plan" does not include an extension of  
18 credit; the repayment of which is secured by real property.

19 **6-26.1-2. Authorization to make loans -- Usury.** -- Any credit card lender may, subject  
20 to any limitations on lending authorities contained in its charter or otherwise imposed by law,  
21 offer and extend credit to a borrower and in connection with the credit may charge and collect  
22 interest, interest fees, and charges, and other charges permitted by this chapter and may take any  
23 security as collateral in connection with it that may be acceptable to the credit card lender.

24 **6-26.1-3. Variable rates.** -- If the agreement governing a credit card plan so provides, the  
25 periodic percentage rate or rates of interest under the plan may vary in accordance with a  
26 schedule or formula. The periodic rate or rates may vary from time to time as the rate determined  
27 in accordance with the schedule or formula varies and the periodic rate or rates, as so varied, may  
28 be made applicable to all or any part of outstanding, unpaid indebtedness under the plan on or  
29 after the first day of the billing cycle that contains the effective date of the variation, including  
30 any indebtedness arising out of purchases made or loans obtained prior to the variation in the  
31 periodic percentage rate or rates. Without limitation, a permissible schedule or formula pursuant  
32 to this section may include provisions in the agreement governing the plan for a change in the  
33 periodic percentage rate or rates of interest applicable to all or any part of outstanding unpaid  
34 indebtedness, whether by variation of the then-applicable periodic percentage rate or rates of



1 interest; variation of an index or margin; or otherwise, contingent upon the happening of any  
2 event or circumstance specified in the plan, which event or circumstance may include, but not be  
3 limited to, the failure of the borrower to perform in accordance with the terms of the plan.

4 **6-26.1-4. Interest.** -- A credit card lender may charge and collect interest under a credit  
5 card plan on outstanding unpaid indebtedness in the borrower's account under the plan at any  
6 daily, weekly, monthly, annual, or other periodic percentage rate or rates that the agreement  
7 governing the plan provides or as established in the manner provided in the agreement governing  
8 the plan. If the agreement governing the plan so provides, the outstanding unpaid indebtedness  
9 may include the amount of any interest, interest fees and charges, and other charges outstanding.  
10 Interest may be calculated using an average daily balance; two-cycle, average daily balance;  
11 adjusted balance; ~~or~~ previous balance method; or using any other balance computation method  
12 provided for in the agreement governing the plan. Credit card transactions may be included in the  
13 outstanding unpaid indebtedness as of any time as may be specified in the agreement governing  
14 the plan. Periodic billing cycles may be established in any manner and shall have the duration that  
15 may be specified in the agreement governing the plan.

16 **6-26.1-5. Interest fees and charges.** -- (a) In addition to, or in lieu of, interest at a  
17 periodic percentage rate or rates as provided in ~~section~~ § 6-26.1-4, a credit card lender may, if the  
18 agreement governing the credit card plan so provides, charge and collect, as interest, in any  
19 manner or form that the plan may provide, one or more of the following:

20 (1) Daily, weekly, monthly, annual, or other periodic charges in any amount or amounts  
21 that the agreement may provide for the privileges made available to the borrower under the plan;

22 (2) A transaction charge or charges in any amount or amounts that the agreement may  
23 provide for each separate purchase, loan, or other transaction under the plan;

24 (3) A minimum charge for each daily, weekly, monthly, annual or other scheduled  
25 billing period under the plan during any portion of which there is an outstanding unpaid  
26 indebtedness under the plan;

27 (4) Reasonable fees for services rendered or for reimbursement of expenses incurred in  
28 good faith by the credit card lender or its agents in connection with the plan, or other reasonable  
29 fees incident to the application for and the opening, administration and termination of a plan  
30 including, without limitation, commitment, application and processing fees; official fees and  
31 taxes; costs incurred by reason of examination of title, inspection, appraisal, recording, mortgage  
32 satisfaction, or other formal acts necessary or appropriate to the security for the plan; and filing  
33 fees;

34 (5) Returned payment charges or charges imposed for the return of a draft or check

1 drawn on a credit card plan evidencing an extension of credit under the plan;

2 (6) Documentary evidence charges;

3 (7) Stop payment fees;

4 (8) Overlimit charges;

5 (9) Automated teller machine charges or other electronic or interchange fees or charges;

6 (10) Prepayment charges authorized under subsection (b) of this section; and

7 (11) Subject to any limitations contained in this chapter, any other fees and charges that  
8 are set forth in the agreement governing the plan.

9 (b) An individual borrower may pay the outstanding unpaid indebtedness charged to the  
10 borrower's account under a plan in full at any time. Except for a charge imposed to terminate a  
11 plan if the agreement governing the plan so provides, a credit card lender may not impose any  
12 prepayment charge in connection with the payment of outstanding unpaid indebtedness in full by  
13 an individual borrower. The terms of prepayment of the outstanding unpaid indebtedness relating  
14 to a credit card plan involving a borrower other than an individual borrower shall be as the lender  
15 and the borrower may agree.

16 (c) No charges assessed in accordance with this section shall be deemed void as a  
17 penalty or otherwise unenforceable under any statute or the common law.

18 **6-26.1-9. Delinquent installments.** -- (a) If the agreement governing a credit card plan so  
19 provides, a credit card lender may impose, as interest, a late or delinquency charge upon any  
20 outstanding unpaid installment payments or portions of it under the plan ~~which~~ that are in default;  
21 provided, however, that no more than one such late or delinquency charge may be imposed ~~in~~  
22 with respect ~~of to~~ any single installment payment or portion of it, regardless of the period during  
23 which it remains in default; and provided further, however, that for the purpose only of the  
24 preceding provision all payments by the borrower shall be deemed to be applied to satisfaction of  
25 installment payments in the order in which they become due. Nothing contained in this section  
26 shall limit, restrict, or otherwise affect the right of a credit card lender to change the percentage  
27 rate or rates of interest applicable to the credit plan between the credit card lender and a borrower  
28 upon the occurrence of a delinquency or default or other failure of the borrower to perform in  
29 accordance with the terms of the plan.

30 (b) No charges assessed by a credit card lender in accordance with this section shall be  
31 deemed void as a penalty or otherwise unenforceable under any statute or the common law.

32 **6-26.1-11. Amendment of agreement.** -- (a) Unless the agreement governing a credit  
33 card plan otherwise provides, a credit card lender may at any time and from time to time amend  
34 the agreement in any respect, whether or not the amendment or the subject of the amendment was

1 originally contemplated or addressed by the parties or is integral to the relationship between the  
2 parties. Without limiting the foregoing, the amendment may change terms by the addition of new  
3 terms or by the deletion or modification of existing terms, whether relating to plan benefits or  
4 features; the rate or rates of interest; the manner of calculating interest or outstanding unpaid  
5 indebtedness; variable schedules or formulas; interest fees and charges; fees; collateral  
6 requirements; methods for obtaining or repaying extensions of credit; attorneys' fees; plan  
7 termination; the manner for amending the terms of the agreement; arbitration or other alternative  
8 dispute resolution mechanisms; or other matters of any kind whatsoever. Unless the agreement  
9 governing a credit card plan otherwise expressly provides, any amendment may, on and after the  
10 date upon which it becomes effective as to a particular borrower, apply to all then outstanding,  
11 unpaid indebtedness in the borrower's account under the plan, including any indebtedness that  
12 arose prior to the effective date of the amendment. An agreement governing a credit card plan  
13 may be amended pursuant to this section regardless of whether the plan is active or inactive or  
14 whether additional borrowings are available under it. Any amendment that does not increase the  
15 rate or rates of interest charged by a credit card lender to a borrower under ~~section §§~~ 6-26.1-3 or  
16 ~~section~~ 6-26.1-4 may become effective as determined by the credit card lender, subject to  
17 compliance by the credit card lender with any applicable notice requirements under the Truth in  
18 Lending Act (15 U.S.C. ~~section §~~ 1601 et seq.), and the regulations promulgated under it, as in  
19 effect from time to time. Any notice of an amendment sent by the credit card lender may be  
20 included in the same envelope with a periodic statement or as part of the periodic statement or in  
21 other materials sent to the borrower.

22 (b) (1) If an amendment increases the rate or rates of interest charged by a credit card  
23 lender to a borrower under ~~section §§~~ 6-26.1-3 or ~~section~~ 6-26.1-4, the credit card lender shall  
24 mail or deliver to the borrower, at least fifteen (15) days before the effective date of the  
25 amendment, a clear and conspicuous written notice that shall describe the amendment and shall  
26 also set forth the effective date of it and any applicable information required to be disclosed  
27 pursuant to the following provisions of this section.

28 (2) Any amendment that increases the rate or rates of interest charged by a credit card  
29 lender to a borrower under ~~section §§~~ 6-26.1-3 or ~~section~~ 6-26.1-4 may become effective as to a  
30 particular borrower if the borrower does not, within fifteen (15) days of the earlier mailing or  
31 delivery of the written notice of the amendment (or any longer period that may be established by  
32 the credit card lender), furnish written notice to the credit card lender that the borrower does not  
33 agree to accept the amendment. The notice from the credit card lender shall set forth the address  
34 to which a borrower may send notice of the borrower's election not to accept the amendment and

1 shall include a statement that, absent the furnishing of notice to the credit card lender of  
2 nonacceptance within the referenced ~~fifteen (15) day (or longer) time period~~ fifteen day (15) time  
3 period, the amendment will become effective and apply to the borrower. As a condition to the  
4 effectiveness of any notice that a borrower does not accept the amendment, the credit card lender  
5 may require the borrower to return to it all credit devices. If, after fifteen (15) days from the  
6 mailing or delivery by the credit card lender of a notice of an amendment (or any longer period  
7 that may have been established by the credit card lender as referenced above), a borrower uses a  
8 plan by making a purchase or obtaining a loan, notwithstanding that the borrower has prior to the  
9 use furnished the credit card lender notice that the borrower does not accept an amendment, the  
10 amendment may be deemed by the credit card lender to have been accepted and may become  
11 effective as to the borrower as of the date that the amendment would have become effective but  
12 for the furnishing of notice by the borrower (or as of any later date selected by the credit card  
13 lender).

14 (3) Any amendment that increases the rate or rates of interest charged by a credit card  
15 lender to a borrower under ~~section~~§§ 6-26.1-3 or ~~section~~ 6-26.1-4 may, in lieu of the procedure  
16 referenced in subdivision (2) of this subsection, become effective as to a particular borrower if the  
17 borrower uses the plan after a date specified in the written notice of the amendment that is at least  
18 fifteen (15) days after the mailing or delivery of the notice (but that need not be the date the  
19 amendment becomes effective) by making a purchase or obtaining a loan; provided, that the  
20 notice from the credit card lender includes a statement that the described usage after the  
21 references date will constitute the borrower's acceptance of the amendment.

22 (4) Any borrower who furnishes timely notice electing not to accept an amendment in  
23 accordance with the procedures referenced in subdivision (2) of this subsection and who does not  
24 subsequently use the plan, or who fails to use the borrower's plan as referenced in subdivision (3)  
25 of this subsection, shall be permitted to pay the outstanding unpaid indebtedness in the borrower's  
26 account under the plan in accordance with the rate or rates of interest charged by a credit card  
27 lender to a borrower under ~~section~~§§ 6-26.1-3 or ~~section~~ 6-26.1-4 without giving effect to the  
28 amendment; provided, however, that the credit card lender may convert the borrower's account to  
29 a closed-end credit account on credit terms substantially similar to those set forth in the then-  
30 existing agreement governing the borrower's plan.

31 (5) Notwithstanding the other provisions of this section, no notice required by this  
32 section of an amendment of an agreement governing a credit card plan shall be required, and any  
33 amendment may become effective as of any date agreed upon between a credit card lender and a  
34 borrower, with respect to any amendment that is agreed upon between the credit card lender and

1 the borrower, either orally or in writing.

2 (c) For purposes of this section, the following are examples of amendments that shall not  
3 be deemed to increase the rate or rates of interest charged by a credit card lender to a borrower  
4 under ~~section~~§§ 6-26.1-3 or ~~section~~ 6-26.1-4:

5 (1) A decrease or increase in the required number or amount of periodic installment  
6 payments;

7 (2) Any change to a plan that increases the rate or rates in effect immediately prior to the  
8 change by less than one-quarter of one percentage point (0.25%) per annum; provided that a  
9 credit card lender may not make more than one such change in reliance on this subdivision with  
10 respect to a plan within any twelve ~~(12)-month~~ -month (12) period;

11 (3) (i) A change in the schedule or formula used under a variable-rate plan under ~~section~~  
12 § 6-26.1-3 that varies the determination date of the applicable rate; ~~;~~ the time period for which the  
13 applicable rate will apply; ~~;~~ or the effective date of any variation of the rate; ~~;~~ or any other similar  
14 change; or

15 (ii) Any other change in the schedule or formula used under a variable-rate plan under  
16 ~~section~~ § 6-26.1-3; ~~provided;~~ that the initial interest rate that would result from any change under  
17 this subdivision (3), as determined on the effective date of the change or, if the notice of the  
18 change is mailed or delivered to the borrower prior to the effective date, as of any date within  
19 sixty (60) days before mailing or delivery of the notice, will not be an increase from the rate in  
20 effect on the date under the existing schedule or formula.

21 (4) A change from a variable-rate plan to a fixed rate, or from a ~~fix~~ fixed-rate to a  
22 variable-rate plan so long as the initial rate that would result from such a change, as determined  
23 on the effective date of the change, or if the notice of the change is mailed or delivered to the  
24 borrower prior to the effective date, as of any date within sixty (60) days before mailing or  
25 delivery of the notice, will not be an increase from the rate in effect on the date under the existing  
26 plan;

27 (5) A change from a daily periodic rate to a periodic rate other than daily or from a  
28 periodic rate other than daily to a daily periodic rate; and

29 (6) A change in the method of determining the outstanding unpaid indebtedness upon  
30 which interest is calculated (including, without limitation, a change with respect to the date by  
31 which, or the time period within which, a new balance or any portion of it must be paid to avoid  
32 additional interest).

33 (d) The procedures for amendment by a credit card lender of the terms of a plan to which  
34 a borrower, other than an individual borrower, is a party may, in lieu of the foregoing provisions

1 of this section, be as the agreement governing the plan may otherwise provide.

2 **6-26.1-12. Materiality of terms.** -- All terms, conditions and other provisions of and  
3 relating to a credit card plan as contained in this chapter or any other applicable chapter, or in the  
4 agreement governing the plan (other than those which are interest under this chapter,) including,  
5 without limitation, provisions relating to the method of determining the outstanding unpaid  
6 indebtedness on which interest is applied; time periods within which interest or interest fees and  
7 charges may be avoided; reasons for default and the right to cure any default; right to  
8 accelerate; account cancellation; choice of law; change in terms requirements; right to charge  
9 and collect attorneys' fees; court and collection costs; and the compounding of interest or interest  
10 fees and charges, shall be, and hereby are deemed to be, material to the determination of interest  
11 applicable to a plan under Rhode Island law, under the most favored lender doctrine, and under  
12 ~~Section 85 of~~ the National Credit Card Lender Act (12 U.S.C. ~~section~~ § 85) or Section 521 of the  
13 Depository Institutions Deregulation and Monetary Control Act of 1980 (12 U.S.C. ~~section~~ §  
14 ~~1831(d)~~ 1831(d)).

15 SECTION 17. Sections 6-27-4, 6-27-5, 6-27-9, 6-27-10 and 6-27-11 of the General Laws  
16 in Chapter 6-27 entitled "Truth in Lending and Retail Selling" are hereby amended to read as  
17 follows:

18 **6-27-4. Maximum charge -- Refunds.** -- (a) No creditor shall impose a finance charge in  
19 excess of an amount equal to eighteen percent (18%) simple interest per annum. This subsection  
20 shall not apply to any transaction in connection with which the finance charge does not exceed  
21 ten dollars (\$10.00). Notwithstanding the provision of any retail installment contract to the  
22 contrary, a buyer may prepay in full the unpaid balance of any retail installment contract at any  
23 time before its final due date and, if the buyer does so, shall receive a refund credit on the retail  
24 installment contract for the prepayment. The amount of the refund credit of finance charges on  
25 precomputed loans, made for an original term of sixty (60) months or less, may be calculated on  
26 the method commonly referred to as the rule of ~~78's~~ 78s or sum of the digits. Refund credits of  
27 finance charges on precomputed loans, made for an original term greater than sixty (60) months,  
28 must be at least the amount as that produced by the rule of anticipation.

29 (b) Where the amount of refund credit is less than one dollar (\$1.00), no refund credit  
30 need be made.

31 (c) Notwithstanding any contrary provision of law, the maximum finance charge ~~which~~  
32 that may be applied under a revolving or open-end credit plan in connection with a transaction  
33 arising out of a retail sale of consumer goods, including the retail sale of gasoline, or services,  
34 shall not exceed the rate or rates agreed to by the creditor and a retail buyer compared on the

1 average daily balance of the open-end or revolving account or the unpaid balance of the open-end  
2 or revolving account outstanding as of the end of the current billing cycle. Regardless of any  
3 agreement to the contrary, a transaction under a revolving or open-end credit plan is subject to  
4 this section whenever a solicitation for the extension of credit is made by a creditor whose  
5 primary activity in Rhode Island is soliciting Rhode Island customers through the mails; and the  
6 solicitation originates outside Rhode Island but is directed to, and received by, a retail buyer who  
7 resides, and responds to the solicitation, in Rhode Island.

8 (d) This section shall not apply to any person doing business under and as permitted by  
9 any general or special law of this state or of the United States relating to: (1) financial institutions,  
10 (2) credit unions, or (3) licensees pursuant to title 19, chapter 44 of title 6, and ~~section~~ § 6-26-2.

11 (e) Under each revolving or open-end credit plan a late fee not to exceed twelve dollars  
12 (\$12.00) may be assessed on each minimum payment not paid in full within forty (40) days  
13 following the billing date of the statement on which the minimum payment first appears.

14 **6-27-5. Consumer notes.** -- (a) If any contract between a retail seller and a retail buyer  
15 for the sale of consumer goods and services requires or involves the execution of a promissory  
16 note by a retail buyer in connection with an extension of credit by the retail seller, or by a creditor  
17 to whom the retail buyer was referred by the retail seller and to whom the retail seller regularly,  
18 as part of the ordinary conduct of its business; and with the actual knowledge of the creditor,  
19 refers retail buyers for credit, the words "nonnegotiable consumer note" shall be placed  
20 prominently on the note; and an assignee of a note with the words "nonnegotiable consumer note"  
21 appearing prominently on the note shall take the note subject to the claims and defenses permitted  
22 under ~~section~~ § 6A-3-306, irrespective of whether or not the assignee qualifies as a "holder in due  
23 course" as defined in ~~section~~ § 6A-3-302. For the purposes of this section "consumer goods"  
24 means tangible personal property used or bought for use primarily for personal, family, or  
25 household purposes.

26 (b) A creditor who obtains a note from the maker in violation of this section shall be  
27 punished by a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars  
28 (\$500).

29 (c) If a note is obtained by a creditor from a maker in violation of this section, no  
30 finance, delinquency, collection, repossession, or refinancing charges may be recovered in any  
31 action or proceeding based on the contract for sale by the creditor; and if the charges are  
32 recovered from a maker by a holder in due course, the maker may recover the charges from the  
33 creditor who violated the provisions of this section.

34 (d) The provisions of this section shall not apply to any notes executed in connection



1 with any financing ~~which~~ that is insured under federal housing administration regulations.

2 **6-27-9. Retail sales -- Refunds.** -- (a) Except where a customer has been clearly  
3 informed by either a poster or other appropriate notice placed at the point of display or at the cash  
4 register or at the store entrance that all sales are final and that the merchandise is not returnable,  
5 wherever a customer who has paid cash for an item, and who has in his or her possession a sales  
6 slip or other evidence that he or she has purchased the item in a retail outlet, returns the item,  
7 unused, within ten (10) business days from the date of purchase, he or she shall be entitled to a  
8 refund in the same manner as paid in an amount equivalent to that paid at the time of sale.

9 (b) This section shall not apply to the sale of books, magazines, or any publications;  
10 food; perishable items; merchandise ~~which~~ that is substantially custom-made or custom-  
11 finished; items for internal consumption; ~~and~~ items sold "as is"; or any items presently  
12 prohibited for refund, return, or exchange by a retailer by federal or state law or any rule or  
13 regulation promulgated by any state agency.

14 (c) Any person, corporation, or entity, refusing or neglecting to post in accordance with  
15 subsection (a), shall be deemed guilty of a misdemeanor for each violation and shall be punished  
16 by a fine of not less than five hundred dollars (\$500) or more than one thousand dollars (\$1,000).

17 **6-27-10. Disclosure.** -- (a) Any application form or written solicitation for a revolving or  
18 open-end credit plan provided or offered by a creditor to a resident of this state shall contain or be  
19 accompanied by either of the following disclosures: (1) A disclosure of each of the following, if  
20 applicable: (i) Any periodic interest or finance charge rate that may be applied to the credit card  
21 account, expressed as an annual percentage rate, or in the case of a credit card account with a  
22 variable rate, the means for determining that rate; (ii) If two (2) or more periodic rates may be  
23 used to compute the finance charge, each rate, the range of balances to which each rate is  
24 applicable, and the corresponding annual percentage rate with respect to each periodic rate; (iii)  
25 Any membership, participation, or other similar fee imposed for the issuance of a credit card or, if  
26 the creditor does not impose a fee, the disclosure shall so indicate; (iv) The period within which  
27 any credit extended or principal amount withdrawn from a credit card account shall be repaid to  
28 avoid incurring a finance charge, and if no period is offered that fact shall be stated, except that a  
29 creditor may, at its option and without disclosure, impose no finance charge when payment is  
30 received after the time period's expiration; and (v) Any per-transaction fee or similar fee; or (2)  
31 A disclosure that satisfies the initial disclosure statement requirements of "Regulation Z". (b)  
32 Any information required to be disclosed pursuant to this section shall be disclosed in a clear and  
33 conspicuous manner. (c) The provisions of this section shall not apply to oral solicitations or  
34 solicitations made through or applications contained in a catalogue, magazine, newspaper, or

1 other print media that is mailed or otherwise distributed to people in more than one state. (d) A  
 2 creditor need not present the disclosures required by subsection (a) of this section in chart form;  
 3 or use any specific terminology; except as expressly provided in this section. The following chart  
 4 shall not be construed in any way as a standard by which to determine whether a creditor ~~which~~  
 5 that elects not to use the chart has provided the required disclosures in a manner ~~which~~ that  
 6 satisfies subsection (a) of this section. However, disclosures shall be conclusively presumed to  
 7 satisfy the requirements of subsection (a) of this section if a chart with captions substantially as  
 8 follows is completed with the applicable terms offered by the creditor; or if the creditor presents  
 9 the applicable terms in tabular, list, or narrative format using terminology substantially similar to  
 10 the captions included in the following chart:

11	VARIABLE	ANNUALIZED			
12	ANNUAL	MEMBERSHIP	MINIMUM OR	CHARGE	
13	PERCENTAGE	RATE INDEX	PARTICIPATION	TRANSACTION	FREE-RIDE
14	RATE	AND SPREAD	FEE	FEE	PERIOD

15 (e) For the purposes of this section, "Regulation Z" means the regulation promulgated  
 16 and as amended by the ~~federal reserve board~~ Federal Reserve Board pursuant to the ~~federal truth~~  
 17 ~~in lending provisions~~ Federal Truth in Lending Provisions of the "Consumer Credit Protection  
 18 Act," 15 U.S.C. ~~section~~ § 1601 et seq. (f) Nothing in this section shall be deemed or construed to  
 19 prohibit a creditor from disclosing additional terms, conditions, or information, whether or not  
 20 relating to the disclosures required under this section, in conjunction with the disclosures required  
 21 by this section. (g) This section does not apply to any application form or written solicitation for  
 22 a revolving or open-end credit plan where the credit to be extended will be secured by a lien on  
 23 real property. (h) Any person who knowingly and willfully violates any provision of this section  
 24 shall be subject to a civil penalty of not less than five hundred dollars (\$500) nor more than five  
 25 thousand dollars (\$5,000) per violation. Any application or solicitation violating this section shall  
 26 be treated as a single violation regardless of the number of applications or solicitations  
 27 distributed.

28 **6-27-11. Additional disclosures.** -- In the case of any open-end consumer credit plan  
 29 secured by a consumer's principal residence, the following provisions shall apply:

30 (1) The disclosures required by subdivisions (2) and (3) of this section shall be provided  
 31 to the consumer on a separate document on or before the closing date.

32 (2) The following information shall be disclosed:

33 (i) The annual percentage rate ~~which~~ that will be in effect when credit is first extended in  
 34 connection with the loan or a description of the manner in which the rate will be computed;

1 (ii) The manner in which any changes in the annual percentage rate of interest will be  
2 made, and the timing of any changes, including any index or other rate of interest to which the  
3 changes in rates are related;

4 (iii) Any fee imposed for the availability of the account, including but not limited to,  
5 annual fees, application fees, and the fees commonly designated as "points";

6 (iv) In the case of a variable rate, the maximum annual percentage rate that may be  
7 imposed at any time under the plan and the maximum amount by which the annual percentage  
8 rate may change in any one-year period. If no limit exists, that fact shall be disclosed;

9 (v) The maximum interest payment for a thirty ~~(30)-day~~ (30) period at the highest  
10 interest rate permitted under the terms of the open-end plan and based on the maximum amount  
11 of credit available under the plan;

12 (vi) A statement that the plan is secured by the consumer's dwelling and, in the event of  
13 any default, the consumer risks the loss of the home;

14 (vii) If applicable, a statement that the disclosures are good-faith estimates of the terms  
15 and conditions applicable to the plan, and are subject to change before the plan is opened;

16 (viii) If applicable, a statement that the creditor has the right to change the terms and  
17 conditions during the plan, including the index and margin used to determine the interest rate and  
18 payment amount, at any time; and

19 (ix) If applicable, a statement that although interest-only payments may be less on a  
20 monthly basis, they retire no principal, prolong the obligation, and result in greater total expenses  
21 over the life of the loan.

22 (3) (i) In addition to the requirements of this chapter, any advertisement to aid, promote,  
23 or assist, directly or indirectly, the extension of consumer credit through an open-end credit plan  
24 secured by the consumer's principal dwelling that states a specific monthly payment based on a  
25 variable rate of interest shall state all of the following terms:

26 (A) Any maximum or fixed amount ~~which~~ that could be imposed; and

27 (B) The periodic rates expressed as annual percentage rates.

28 (ii) If any advertisement described in subdivision (3)(i) contains a statement that any  
29 interest expense incurred with respect to a plan is or may be tax deductible, the advertisement  
30 shall include a clear and conspicuous statement that the interest expense may not be completely  
31 deductible for all taxpayers.

32 (iii) No advertisement described in subdivision (3)(i) with respect to any home equity  
33 loan may refer to the loan as "free money or easy money."

34 SECTION 18. The title of Chapter 6-28 of the General Laws entitled "Door to Door

1 Sales" is hereby amended to read as follows:

2 ~~CHAPTER 6-28~~

3 ~~Door-to-Door Sales~~

4 CHAPTER 6-28

5 DOOR-TO-DOOR SALES

6 SECTION 19. Sections 6-28-2, 6-28-4, 6-28-5, 6-28-6 and 6-28-7 of the General Laws in  
7 Chapter 6-28 entitled "Door-to-Door Sales" are hereby amended to read as follows:

8 **6-28-2. Definitions.** -- As used in this chapter:

9 (1) "Business Day" means any calendar day, except Sunday or any legal holiday on  
10 which regular mail deliveries are not made.

11 (2) "Consumer Goods or Services" means goods or services purchased, leased, or rented  
12 primarily for personal, family, or household purposes, including courses of instruction or training  
13 regardless of the purpose for which they are taken.

14 (3) "Door-to-Door Sale" means a sale, lease, or rental of consumer goods or services  
15 with a purchase price of twenty-five dollars (\$25.00) or more, whether under single or multiple  
16 contracts, in which the seller or his or her representative personally solicits the sale, including  
17 those in response to, or following an invitation by, the buyer, and the buyer's agreement or offer  
18 to purchase is made at a home other than that of the person soliciting the transaction, or at a place  
19 other than the regular place of business of the seller. The term "door-to-door sale" does not  
20 include a transaction:

21 (i) Made pursuant to the prior negotiations made by the buyer at the seller's permanent  
22 business establishment where the goods are regularly sold;

23 (ii) In which the buyer has initiated the contact and the goods or services are needed to  
24 meet a bona-fide immediate, personal emergency of the buyer, and the buyer furnishes the seller  
25 with a separate, dated and signed personal statement in the buyer's handwriting describing the  
26 situation requiring immediate remedy and expressly acknowledging and waiving the right to  
27 cancel the sale within three (3) business days;

28 (iii) Made entirely by mail or telephone, and without any other contact between the  
29 buyer and seller or its representative prior to delivery of the goods or performance of the services;

30 (iv) In which the buyer has initiated the contact and specifically requested the seller to  
31 visit his or her home for the purpose of repairing or performing maintenance upon the buyer's  
32 personal property. If in the course of such a visit, the seller sells the buyer the right to receive  
33 additional services or goods other than replacement parts necessarily used in performing the  
34 maintenance or in making the repairs, the sale of those additional goods or services would not fall

1 within the exclusion;

2 (v) Pertaining to the sale or rental of real property; to the sale of insurance; or to the  
3 sale of securities or commodities by a broker-dealer duly registered in the State of Rhode Island;

4 (vi) ~~Which~~ That involves arts and crafts sold at fairs or other locations such as shopping  
5 malls, ~~civil~~ civic centers, and schools; or

6 (vii) In which the consumer is accorded the right of rescission by the provisions of the  
7 Consumer Credit Protection Act, § 15 U.S.C. 1635; or regulations issued pursuant to that act.

8 (4) "Place of Business" means the main or permanent branch office or local address of a  
9 seller.

10 (5) "Purchase Price" means the total price paid or to be paid for the consumer goods or  
11 services, including all interest and service charges.

12 (6) "Seller" means any person, partnership, corporation, or association engaged in the  
13 door-to-door sale of consumer goods or services.

14 **6-28-4. Notices required on agreement and at time of sale -- Cancellation -- Return**

15 **of deposit -- Damages. --** (a) No agreement of the buyer in a door-to-door sale shall be effective  
16 unless it is signed and dated by the buyer and unless it contains the following in ten ~~(10) point~~ -  
17 point (10), bold-face type or larger directly above the space reserved in the agreement for the  
18 signature of the buyer:

19 Notice to buyer: (1) Do not sign this agreement if any of the spaces intended for the  
20 agreed terms to the extent of then available information are left blank. (2) You are entitled to a  
21 copy of this agreement at the time you sign it. (3) You may at any time pay off the full, unpaid  
22 balance due under this agreement, and in so doing you may be entitled to receive a partial rebate  
23 of the finance and insurance charges. (4) The seller has no right to unlawfully enter your premises  
24 or commit any breach of the peace to repossess goods purchased under this agreement. (5) You  
25 may cancel this agreement if it has not been signed at the main office or a branch office of the  
26 seller, provided you notify the seller at his or her main office or branch office shown in the  
27 agreement by registered or certified mail, ~~which that~~ shall be posted not later than midnight of the  
28 third calendar day after the day on which the buyer signs the agreement, excluding Sunday and  
29 any holiday on which regular mail deliveries are not made. See the attached notice of cancellation  
30 form for an explanation of buyer's rights.

31 (b) The seller may select the method of providing the buyer with the duplicate notice of  
32 cancellation, form set forth in subsection (a) of this section, provided, however, that in the event  
33 of cancellation the buyer must be able to retain a complete copy of the agreement. Furthermore, if  
34 both forms are not attached to the agreement, the seller is required to alter the last sentence in the

1 statement ~~above~~ in subsection (a) to conform to the actual location of the forms.

2 (c) Additionally, the seller shall, at the time of the sale, give notice to the buyer of all the  
3 buyer's rights that substantially ~~complies~~ comply with this chapter. The notice must:

4 (1) Appear in the agreement under the conspicuous caption: "Notice of Cancellation";  
5 and

6 (2) Read as follows:

7 ...(date of transaction) "You may cancel this transaction, without any penalty or  
8 obligation, within three (3) business days from the above date. If you cancel, your cancellation  
9 notice must state that you do not wish to be bound by the agreement and mailed by registered or  
10 certified mail not later than midnight three (3) days following the buyer's signing the agreement,  
11 excluding Sunday and any holiday on which regular mail deliveries are not made. All  
12 cancellations must be mailed to:

13 (insert name and address of the seller)."

14 (d) Whenever the agreement fails to conform to the provisions of this section and the  
15 buyer or his or her agent has notified the seller of his or her intent to cancel the agreement by  
16 registered mail, return receipt requested, the seller shall, within twenty (20) days, return any  
17 deposit made by the buyer. Failure to return any deposit shall enable the buyer to recover from  
18 the seller double damages in any subsequent legal proceeding.

19 **6-28-5. Seller's obligations on cancellation.** -- (a) Within twenty (20) days after a door-  
20 to-door sale has been cancelled, the seller shall tender to the buyer any payments made by the  
21 buyer and any note or other evidence of indebtedness. Any security interest arising out of the  
22 transaction will be canceled.

23 (b) If the ~~down-payment~~ downpayment includes goods traded in, the goods shall be  
24 tendered in substantially as good condition as when received. If the seller fails to tender the goods  
25 as provided by this section, the buyer may elect to recover an amount equal to the trade-in  
26 allowance stated in the agreement.

27 (c) The seller may retain as a cancellation fee five percent (5%) of the cash price; ~~five~~  
28 dollars (\$5.00); ~~or~~ the amount of the cash down payment, whichever is least. If the seller fails to  
29 comply with an obligation imposed by this section, or if the buyer avoids the sale on any ground  
30 independent of his right to cancel under ~~section~~ § 6-28-3, the seller is not entitled to retain a  
31 cancellation fee.

32 (d) Until the seller has complied with the obligations imposed by this section, the buyer  
33 may retain possession of goods delivered to him or her by the seller and has a lien on the goods  
34 for any recovery to which the buyer is entitled.

1           **6-28-6. Statement required on note.** -- Any note or other evidence of indebtedness  
2 given by a buyer in connection with a door-to-door sale shall be dated not earlier than the date of  
3 the agreement or offer to purchase. The seller shall cause the words "Nonnegotiable consumer  
4 note" to be placed prominently on the note; and an assignee or holder of a note or other evidence  
5 of indebtedness with the words "Nonnegotiable consumer note" appearing prominently on the  
6 note shall take the note subject to the claims and defenses permitted under ~~section~~ § 6A-3-306,  
7 irrespective of whether or not an assignee or holder qualifies as a "holder in due course" as  
8 defined in ~~section~~ § 6A-3-302.

9           **6-28-7. Buyer's obligations on cancellation.** -- (a) Except as provided in ~~section~~ § 6-28-  
10 5(d), within twenty (20) days after a door-to-door sale has been cancelled by the buyer, upon  
11 demand the buyer shall tender to the seller any goods delivered by the seller pursuant to the sale,  
12 but the buyer is not obligated to tender at any place other than his or her own address. Buyer's  
13 compliance with the seller's instructions regarding the return shipment of the goods shall be at the  
14 seller's expense and risk. If the seller fails without interference from the buyer to take possession  
15 of the goods within twenty (20) days after cancellation, the goods shall become the property of  
16 the buyer without obligation to pay for them.

17           (b) The buyer shall take reasonable care of the goods in his or her possession both prior  
18 to cancellation and during the twenty ~~(20) day~~ -day (20) period following. During the twenty ~~(20)~~  
19 ~~day~~ -day (20) period after cancellation, except for the buyer's duty of care, the goods are at the  
20 seller's risk.

21           (c) If the seller has performed any services pursuant to a door-to-door sale prior to its  
22 cancellation, the seller is entitled to no compensation except the cancellation fee provided in this  
23 chapter. If the seller's services result in the alteration of property of the buyer, the seller shall  
24 restore the property to substantially as good condition as it was at the time the services were  
25 rendered.

26           SECTION 20. Sections 6-28.1-2, 6-28.1-3 and 6-28.1-4 of the General Laws in Chapter  
27 6-28.1 entitled "Unfair Home Improvement Loans to Senior Citizens" are hereby amended to read  
28 as follows:

29           **6-28.1-2. Definitions.** -- (a) "Consumer" means an individual who seeks or acquires, by  
30 purchase or lease, any goods or services for personal, family, or household purposes.

31           (b) "Disabled person" means any person who has a physical or mental impairment that  
32 substantially limits one or more major life activities.

33           (c) "Goods" means tangible chattels bought or leased for use primarily for personal,  
34 family, or household purposes, including certificates or coupons exchangeable for these goods,



1 and including goods ~~which~~ that, at the time of the sale or subsequently, are to be so affixed to real  
2 property as to become a part of real property whether or not severable from real property.

3 (d) "Home solicitation" means any transaction made at the consumer's primary  
4 residence, except those transactions initiated by the consumer. A consumer response to an  
5 advertisement is not a home solicitation.

6 (e) "Person" means an individual, partnerships, corporation, limited liability company,  
7 association, or other group, however organized.

8 (f) "Senior ~~citizens~~ citizen" means a person who is sixty-five (65) years of age or older.

9 (g) "Services" means work, labor, and services for other than a commercial or business  
10 and including services furnished in connection with the sale or repair of goods.

11 (h) "Transaction" means an agreement between a consumer and any other person,  
12 whether or not the agreement is a contract enforceable by action, and includes the making of, and  
13 the performance pursuant to, that agreement.

14 **6-28.1-3. Home solicitation.** -- (a) The following unfair methods of competition and  
15 unfair or deceptive acts or practices undertaken by any person in a transaction intended to result  
16 or which results in the sale or lease of goods or services to any consumer are unlawful:

17 The home solicitation of a consumer who is a senior citizen where a loan is made  
18 encumbering the primary residence of that consumer for the purposes of paying for home  
19 improvements and where the transaction is part of a pattern or practice in violation of either  
20 subsection (h) or (i) of 15 U.S.C. ~~section~~ § 1639 or subsection (e) of 12 CFR 226.32.

21 (b) A third party shall not be liable under this section unless: (1) ~~there~~ There was an  
22 agency relationship between the party who engaged in home solicitation and the third party; or  
23 (2) ~~the~~ The third party had actual knowledge of or participated in the unfair or deceptive  
24 transaction. A third party who is a holder in due course under a home solicitation transaction shall  
25 not be liable under this section.

26 **6-28.1-4. Penalty for violation.** -- Anyone who violates any provision of this chapter  
27 shall be guilty of a misdemeanor. Any person, firm, or corporation, ~~which~~ who or that has been  
28 found guilty, as previously stated, or any person, firm, or corporation acquiring derivative rights  
29 from someone found guilty shall be prohibited from maintaining any civil action for the recovery  
30 of any debt created as a result of the violation and shall issue a discharge of any encumbrance  
31 recorded on the real property securing the debt.

32 SECTION 21. Section 6-29-1 of the General Laws in Chapter 6-29 entitled "Referral  
33 Selling" is hereby amended to read as follows:

34 **6-29-1. Home solicitation referral selling.** -- No seller in a home solicitation sale or a

1 cash sale as defined in ~~section~~ § 6-28-2 shall offer to pay a commission or give a rebate or  
2 discount to the buyer in consideration of the buyer's giving to the seller the names of prospective  
3 purchasers or otherwise aiding the seller in making a sale to another person; unless the seller  
4 actually delivers to the purchaser a chart showing the actual experience of purchasers for the three  
5 (3) calendar years ending prior to the contract under consideration, including the number of and  
6 monies paid to those who participated in the plan, and unless there shall be a separate, written  
7 agreement signed and dated by the buyer and also signed by the seller containing the following in  
8 ten ~~(10)-point~~ -point (10) bold-face type or larger, directly above the space reserved in the  
9 agreement for the signature of the buyer:

10 (1) No purchase of goods or services between the parties to the sale has been induced by  
11 the promise of monies to be earned under this agreement;

12 (2) The purchase price of any goods or services in any transaction between the parties to  
13 the sale has not been increased in any way because of this agreement;

14 (3) No payments due under this agreement may be held up, credited, or set-off toward  
15 payment of any obligation between the parties except on written authorization specifically  
16 allowing that action; and

17 (4) No other representations or agreements, oral or written, have been made by the  
18 parties to the sale relating to the terms of this agreement.

19 SECTION 22. Sections 6-30-3, 6-30-4 and 6-30-6 of the General Laws in Chapter 6-30  
20 entitled "Distribution of Credit Cards" are hereby amended to read as follows:

21 **6-30-3. Exceptions.** -- The provisions of this chapter shall not apply to:

22 (1) The issuance of any credit card to any individual who shall at the time of the issuance  
23 have a credit account relationship with the issuer.

24 (2) The issuance of any credit card to any individual whose credit account shall have  
25 been transferred to the issuer by any other person engaged in the business of granting or  
26 extending credit by the use of a credit card.

27 (3) The renewal of any credit card previously issued ~~which~~ that has been used by the  
28 cardholder during the previous new or renewal term.

29 **6-30-4. Penalty for violation.** -- Anyone who violates any provision of this chapter shall  
30 be guilty of a misdemeanor. Any person, firm, or corporation, ~~which~~ that who or has been found  
31 guilty of violating any provision of this chapter; or any person, firm, or corporation acquiring  
32 derivative rights from someone found guilty shall be prohibited from maintaining any civil action  
33 for the recovery of any debt created through the use of the credit card.

34 **6-30-6. Credit card transactions -- Printing of accounting numbers on receipts.** -- (a)

1 As used in this section, the following terms shall have the following meanings:

2 (1) "Cardholder" means the person named on the face of a credit card to whom or for  
3 whose benefit the credit card is issued by an issuer and shall include any employee or other agent  
4 or authorized user of the card;

5 (2) "Credit card" shall be defined as stated in ~~section~~ § 6-30-2;

6 (3) "Issuer" means the financial institution or other business organization ~~which~~ that  
7 issues a credit card or its duly authorized agent;

8 (4) "Person" means an individual or corporation, partnership, trust, association, joint-  
9 venture pool, syndicate, sole proprietorship, unincorporated organization, or any other legal  
10 entity; and

11 (5) "Provider" means a person who furnishes money, goods, services, or anything else of  
12 value upon presentation, whether physically, in writing, verbally, electronically, or otherwise of a  
13 credit card by the cardholder, or any agent or employee of such person.

14 (b) Except as otherwise provided in this section, no provider shall print or otherwise  
15 produce or reproduce, or permit the printing or other production or reproduction of either of the  
16 following:

17 (1) Any part of the credit card account number, other than the last five (5) digits or other  
18 characters on any receipt provided or made available to the cardholder; or

19 (2) The credit card expiration date on any receipt provided or made available to the  
20 cardholder.

21 (c) This section shall not apply to a credit card transaction in which the sole means  
22 available to the provider of recording the credit card account number is by handwriting or by  
23 imprint of the card.

24 (d) This section shall not apply to receipts issued for transactions on the electronic  
25 benefits transfer card system.

26 (e) Any cardholder, whose credit card has been the subject of a violation of this section,  
27 or the issuer of such a card, may bring a civil action in the superior court against the provider who  
28 violated the provisions of this section to recover or obtain one or all of the following remedies:

29 (1) Damages or expenses, or both, ~~which~~ that the cardholder or issuer incurred due to the  
30 provider's violation of this section;

31 (2) Court costs, including reasonable attorneys' fees;

32 (3) Injunctive or equitable relief, as appropriate; and

33 (4) Any other relief the court deems proper.

34 (f) The provisions of this section shall become effective on January 1, 2007, with respect

1 to any cash register or other machine or device that electronically prints receipts for credit card  
2 transactions that is in use prior to January 1, 2005.

3 (g) The provisions of this section shall become effective on January 1, 2005, with respect  
4 to any cash register or other machine or device that electronically prints receipts for credit card  
5 transactions that is first put into use on or after January 1, 2005.

6 SECTION 23. Sections 6-31-1, 6-31-2, 6-31-3 and 6-31-5 of the General Laws in  
7 Chapter 6-31 entitled "Unit Pricing" are hereby amended to read as follows:

8 **6-31-1. Definitions.** -- As used in this chapter:

9 (1) "Consumer commodity" means any food, drug, device, or cosmetic and other article,  
10 product, or commodity of any other kind or class, except for drugs sold only by prescription,  
11 ~~which~~ that:

12 (i) Are customarily produced for sale to retail sales agencies or instrumentalities for  
13 consumption by individuals; ~~;~~ for use by individuals for purposes of personal care; ~~;~~ or in the  
14 performance of services ordinarily rendered in or around the household; and

15 (ii) Usually are consumed or expended in the course of the consumption or use.

16 (2) "Director" means the director of business regulation.

17 (3) "Retail price" means the price at which the consumer commodity is sold to the  
18 ultimate customer.

19 (4) "Sale at Retail" means sale of a consumer commodity to the ultimate customer.

20 (5) "Total price" of a consumer commodity means the full purchase price of a consumer  
21 commodity without regard to units of weight, measure, or count.

22 (6) "Ultimate customer" is a person who purchases a product other than for resale.

23 (7) "Unit price" of a consumer commodity means the retail price of a consumer  
24 commodity expressed in terms of the retail price of the commodity per the unit of weight,  
25 measure, or count, as the director designates, computed to the nearest whole cent or fraction  
26 thereof as the director designates.

27 **6-31-2. Consumer information required.** -- (a) (1) Every person who sells, offers for  
28 sale, or exposes for sale at retail any aluminum foil, bread, carbonated soft drinks, cereals,  
29 cooking oils, dog or cat food, facial tissues, fish, fowl, fruits, grains, meats, napkins, plastic food  
30 wrapping, vegetables, waxed paper, or other consumer commodity designated by the director,  
31 shall disclose to the consumer the unit price of the consumer commodity as provided in this  
32 chapter.

33 (2) The same unit of weight, measure, or count shall be utilized to express the unit price  
34 of different sizes or brand names of the same or similar consumer commodities. All stamps, tags,

1 or labels expressing the total price shall be standardized within each place of business; and shall  
2 set forth the cents from dollars by use of a decimal point, different type or type size, or a cents  
3 sign.

4 (b) Every person who sells, offers for sale, or exposes for sale at retail any consumer  
5 commodity shall disclose to the consumer the total price of the consumer commodity as provided  
6 in this chapter.

7 (c) Wherever meat, poultry, fish, fresh vegetables, and fresh fruit are sold by a measure  
8 of weight and are packaged or wrapped for sale by a retailer in advance of being sold, offered for  
9 sale, or exposed for sale, an accurate computing scale of adequate capacity shall be placed in a  
10 conspicuous accessible location so the buyer may weigh the product ~~which~~ that is being  
11 purchased.

12 **6-31-3. Means of disclosure.** -- Persons subject to the requirements of ~~section~~ § 6-31-2  
13 shall disclose the unit price and total price to consumers in one or more of the following  
14 appropriate ways:

15 (1) If the consumer commodity is so located that it is not conspicuously visible to the  
16 consumer, or if the consumer commodity is so located that the price information, if displayed in  
17 accordance with subdivision (2), would not be conspicuously visible to the consumer; by a sign or  
18 list bearing the price information conspicuously placed near the point of procurement; or

19 (2) By attachment of a stamp, tag, or label directly adjacent to the consumer commodity,  
20 on the shelf on which the commodity is displayed, or by stamping or affixing the price  
21 information on the commodity itself; provided, however, that upon each commodity shall be  
22 stamped or affixed the total price of the commodity in arabic numerals; if and when a  
23 computerized system is used; or

24 (3) In accord with regulations promulgated by the director.

25 **6-31-5. Director's powers.** -- (a) The director shall do all of the following:

26 (1) Designate by regulation those consumer commodities, in addition to the consumer  
27 commodities specifically enumerated in ~~section~~ § 6-31-2(a), as to which display of the unit price  
28 shall be required; upon a determination that the display will be in the best interest of consumers;

29 (2) Designate by regulation the unit of weight, measure, or count in terms of which the  
30 unit price of each consumer commodity shall be expressed, provided that no designated unit shall  
31 be such as to require persons subject to the provisions of ~~section~~ § 6-31-2(a) to measure any  
32 consumer commodity solely for the purpose of complying with ~~section~~ § 6-31-2(a);

33 (3) Designate by regulation whether the unit price of each consumer commodity subject  
34 to the provisions of ~~section~~ § 6-31-2(a) shall be expressed to the nearest whole cent or to an

1 appropriate fraction thereof;

2 (4) Exempt, by regulation, classes of retail establishments from any or all requirements  
3 of this chapter upon a determination that because sales of consumer commodities regulated by  
4 this chapter are purely incidental to the business of the classes of retail establishments,  
5 compliance with this chapter is impracticable and unnecessary for adequate protection of  
6 consumers; provided, however, that any person, firm, corporation, or other business entity with  
7 less than eight (8) full-time employees shall be exempt from the provisions of this chapter;

8 (5) Prescribe, by regulation, means for the disclosure of price information upon  
9 determination that they are more effective than those prescribed in ~~section~~ § 6-31-3; and

10 (6) Promulgate any other regulation necessary to effectuate the provisions of this chapter  
11 in accordance with the best interests of consumers.

12 (b) The director shall give public notice of his or her intention to promulgate regulations  
13 pursuant to subsection (a) and shall receive the opinions of interested parties on the regulations.  
14 Regulations shall take effect thirty (30) days from the date on which the notice is given.

15 (c) The director shall hold hearings whenever he or she has probable cause to believe, or  
16 whenever twenty-five (25) or more citizens state in writing to the director their belief, that the  
17 actions of any person subject to the provisions of this chapter have evidenced a pattern of  
18 noncompliance with any or all of those provisions. Pursuant to the hearings, to which the  
19 suspected violator shall be invited with written notice at least ten (10) days before the hearing is  
20 held, the director shall, upon a finding that a pattern of noncompliance has been shown:

21 (1) Issue a warning citation; or

22 (2) Report any pattern of noncompliance to the attorney general who shall cause  
23 appropriate proceedings to be instituted in the proper courts.

24 SECTION 24. Sections 6-32-1, 6-32-2, 6-32-3 and 6-32-5 of the General Laws in  
25 Chapter 6-32 entitled "Lay Away Sales" are hereby amended to read as follows:

26 ~~6-32-1. "Lay-away sales" defined.~~ **6-32-1. "Lay-away sales" defined.** -- As used in this  
27 chapter, "lay-away sales" means any sale of goods in which the goods are offered for sale to the  
28 public on terms ~~which~~ that permit periodic payment for the goods; and with respect to which  
29 delivery is deferred until completion of payment of the entire purchase price.

30 **6-32-2. Duties of the seller.** -- It shall be unlawful for any seller of goods:

31 (1) To fail to disclose or to misrepresent in any way the store's policy with reference to a  
32 "lay-away" sale;

33 (2) To represent to a buyer who is purchasing on a "lay-away" sale that the specific  
34 goods chosen by the buyer or an exact duplicate of the goods are being laid away for that buyer

1 when that is not a fact;

2 (3) To fail to disclose to the buyer that the specified goods or their exact duplicate will  
3 only be set aside for a certain period of time;

4 (4) To deliver to the buyer after payments (pursuant to the lay-away sale) are completed,  
5 goods ~~which~~ that are not identical to, or exact substitutes ~~to~~ of, those specified, unless prior  
6 approval in writing has been received from the buyer;

7 (5) To increase the price of the goods specified either by way of increasing the payments  
8 or substituting goods that are of a lower quality or price;

9 (6) To fail to deliver to the buyer, on any date payment is made, a receipt showing the  
10 amount and the date of that payment, and, upon request, the balance of payments made up to that  
11 date.

12 ~~**6-32-3. Right to cancel -- Method -- Exception for special order merchandise. Right**~~

13 ~~**to cancel -- Method -- Exception for special-order merchandise. --**~~ (a) In addition to any right  
14 otherwise to revoke an offer, the buyer may cancel a lay-away plan sale by written notice of  
15 cancellation to the seller at the address specified for notice of cancellation provided by the seller  
16 not later than midnight ten (10) days following the buyer's signing the agreement, excluding  
17 Sunday and any holiday on which regular mail deliveries are not made. After the ten (10) days the  
18 seller may retain no more than ten percent (10%) of the total payments made. The notice of  
19 cancellation shall be by personal delivery of registered or certified mail.

20 (b) This right to cancel a lay-away plan sale shall not apply to special order merchandise,  
21 ~~which~~that, for the purposes of this section, means:

22 (1) Merchandise ~~which~~ that is to be custom made and the seller has made either a  
23 commitment for its procurement or a substantial beginning of its production; or

24 (2) Merchandise that substantially differs from the merchandise that the seller ordinarily  
25 offers for sale.

26 ~~**6-32-5. Seller's obligations on cancellation. --**~~ Within thirty (30) days after a lay-away  
27 sale has been cancelled, the seller shall tender to the buyer any payments made by the buyer and  
28 any note or other evidence of indebtedness. If the down payment includes goods traded in, the  
29 goods shall be tendered in substantially as good condition as when received. If the seller fails to  
30 tender the goods as provided in this section, the buyer may elect to recover an amount equal to  
31 the trade in allowance stated in the agreement.

32 SECTION 25. Section 6-34.1-1 of the General Laws in Chapter 6-34.1 entitled "Law  
33 Applicable to Construction Contracts" is hereby amended to read as follows:

34 ~~**6-34.1-1. Law applicable to construction contracts. --**~~ (a) If a contract is principally for



1 the construction or repair of improvements to real property located in Rhode Island and the  
2 contract contains a provision that makes the contract or any conflict arising under it subject to the  
3 law of another state; to litigation in the courts of another state; or to arbitration in another state;  
4 that provision is voidable by the party that is obligated by the contract to perform the construction  
5 or repair.

6 (b) A contract is principally for the construction or repair of improvements to real  
7 property located in Rhode Island if the contract obligates a party, as its principal obligation under  
8 the contract, to provide labor, or labor and materials, for the construction or repair of  
9 improvements to real property located in Rhode Island as a general contractor or subcontractor.

10 (c) A contract is not principally for the construction or repair of improvements to real  
11 property located in Rhode Island if:

12 (1) The contract is a partnership agreement or other agreement governing an entity or  
13 trust;

14 (2) The contract provides for a loan or other extension of credit and the party promising  
15 to construct or repair improvements does so as part of its agreements with the lender or other  
16 extender of credit; or

17 (3) The contract is for the management of real property or improvements and the  
18 obligation to construct or repair is part of that management.

19 (d) Subsections (b) and (c) of this section are not an exclusive list of situations in which  
20 a contract is or is not principally for the construction or repair of improvements to real property  
21 located in this state.

22 (e) The superior court of the state of Rhode Island shall have exclusive jurisdiction in  
23 relation to the construing or enforceability of ~~section §~~ 6-34.1-1.

24 SECTION 26. Sections 6-36-2, 6-36-3, 6-36-6, 6-36-9, 6-36-11, 6-36-12, 6-36-23 and 6-  
25 36-24 of the General Laws in Chapter 6-36 entitled "Antitrust Law" are hereby amended to read  
26 as follows:

27 **6-36-2. Purpose -- Rules of construction.** -- (a) The purposes of this chapter are:

28 (1) To complement the laws of the United States governing monopolistic and restrictive  
29 trade practices; and

30 (2) To promote the unhampered growth of commerce and industry throughout the state  
31 by prohibiting unreasonable restraints of trade and monopolistic practices, inasmuch as these  
32 have the effect of hampering, preventing, or decreasing competition. It is intended, that as a  
33 result, the prices of goods and services to consumers will be fairly determined by ~~free-market~~  
34 free-market competition in activities affecting trade or commerce in this state, including the

1 manufacturing, distribution, financing, and service sectors of the economy, except as otherwise  
2 provided by the statutes, regulations, and judicial decisions of this state. The general assembly  
3 intends to fully exercise its power to affect and regulate commerce in order to effectuate the  
4 purpose of this chapter.

5 (b) This chapter shall be construed in harmony with judicial interpretations of  
6 comparable federal antitrust statutes insofar as practicable, except where provisions of this  
7 chapter are expressly contrary to applicable federal provisions as construed.

8 **6-36-3. Definitions.** -- For the purposes of this chapter, the terms defined in this section  
9 have the following meanings:

10 (1) "Commodity" means any goods, merchandise, wares, produce, chose in action,  
11 article of commerce, or any other tangible or intangible property, real, personal, or mixed, for use,  
12 consumption, enjoyment, or resale;

13 (2) "Department" means the department of attorney general of this state;

14 (3) "Documentary material" means any original or copy of any book, record,  
15 memorandum, paper communication, tabulation, map, chart, photograph, mechanical  
16 transcription, or other tangible document or recording;

17 (4) "Investigative demand" or "demand" means an investigative demand pursuant to  
18 ~~section~~ § 6-36-9(b);

19 (5) "Person" means any natural person or the estate of any natural person; or trust or  
20 association of persons, whether formal or otherwise; or any corporation, partnership, company,  
21 or any other legal or commercial entity;

22 (6) "Public body" means the state of Rhode Island; any of its public agencies; cities and  
23 towns; its other political subdivisions; and other authorities;

24 (7) "Service" means any kind of activity performed in whole or in part for financial gain  
25 including, but not limited to, personal services;

26 (8) "Trade or commerce" means any economic activity of any type whatsoever involving  
27 any commodity or service or business activity whatsoever.

28 **6-36-6. Certain contracts unlawful.** -- A contract for the supplying of commodities or  
29 furnishing of services; or for the fixing of prices charged for the commodities or services; or for  
30 the giving or selling of a discount or rebate, on the condition, agreement, or understanding that  
31 one party shall not deal in the commodities or services of a competitor or competitors of the other  
32 party; is unlawful where the effect of the contract or the condition, agreement, or understanding  
33 may be to lessen competition or tend to create a monopoly in any line of commerce in any region  
34 of this state.

1           **6-36-9. Investigation by attorney general.** -- (a) General power of investigation. -  
2 Whenever it appears to the attorney general, upon reasonable cause, that any person has engaged  
3 in, engages in, or is about to engage in any act or practice prohibited by this chapter;<sup>;</sup> or that any  
4 person has assisted or participated in any plan, scheme, agreement, or combination of the nature  
5 prohibited by this chapter;<sup>;</sup> or whenever the attorney general believes it to be in the public interest  
6 that an investigation be made;<sup>;</sup> he or she may, in his or her discretion, either require or permit the  
7 complainant to file with the attorney general a statement in writing under oath or otherwise as to  
8 all facts and circumstances concerning the subject matter ~~which~~ that the attorney general believes  
9 to be in the public interest to investigate. The attorney general may also require any other data  
10 and information from the complainant that he or she deems relevant and may make any special  
11 and independent investigations that he or she deems necessary in connection with the matter. In  
12 addition, the attorney general may take any measures that will not violate due process of law to  
13 preserve the confidentiality of the complainant's identity.

14           (b) Investigative demand. - (1) Whenever the attorney general has reason to believe that  
15 any person may have knowledge or be in possession, custody, or control of any documentary  
16 material pertinent to an investigation of a possible violation of this chapter, the attorney general  
17 may issue in writing and cause to be served upon the person an investigative demand by which  
18 the attorney general may:

19           (i) Compel the attendance of the person and require him or her to submit to examination  
20 and give testimony under oath;

21           (ii) Require the production of documentary material pertinent to the investigation for  
22 inspection or copying; ~~and/or~~ and/or

23           (iii) Require answer to written interrogatories to be furnished under oath.

24           (2) The power to issue investigative demands shall ~~not~~ neither abate ~~or~~ nor terminate by  
25 reason of the bringing of any action or proceeding under this chapter. The attorney general may  
26 issue successive investigative demands to the same person in order to obtain additional  
27 information pertinent to an ongoing investigation.

28           (c) Contents of investigative demand. - Each investigative demand shall:

29           (1) State the section or sections of the chapter the alleged violation of which is under  
30 investigation;<sup>;</sup> and the general subject matter of this investigation;

31           (2) Prescribe a reasonable return date no less than forty (40) days after service of the  
32 investigative demand, provided that an earlier date may be prescribed under compelling  
33 circumstances, but in no event less than twenty (20) days;

34           (3) Specify the time and place at which the person is to appear and give testimony;<sup>;</sup>

1 produce documentary material; and furnish answers to interrogatories; or do any or a  
2 combination of these things;

3 (4) Describe by class any documentary material required to be produced; so as to clearly  
4 indicate what is demanded; and

5 (5) Contain any interrogatories to which written answers under oath are required.

6 (d) Prohibition against unreasonable demand. - No investigative demand shall:

7 (1) Contain any requirement ~~which~~ that would be unreasonable or improper if contained  
8 in a subpoena issued by a court of this state; or

9 (2) Require the disclosure of any material or information ~~which~~ that would be privileged,  
10 or which for any other reason would not be required to be disclosed by a subpoena issued by a  
11 court of this state, including, but not limited to, trade secrets or confidential scientific, technical,  
12 merchandising, production, management, or commercial information, to the extent that the  
13 material or information is protected pursuant to the rules of civil procedure of the superior court.

14 (e) Offer of documentary evidence. - Where the information requested upon oral  
15 examination or written interrogatory pursuant to an investigative demand may be derived or  
16 ascertained from the business records of the person upon whom the demand has been served; or  
17 from an examination, audit, or inspection of the business records; or from a compilation,  
18 abstract, or summary based on the records; and the burden of deriving or ascertaining the answer  
19 is substantially the same for the attorney general as for the person from whom the information is  
20 requested, it is sufficient for that person to specify the records from which the answer may be  
21 derived or ascertained and to afford the attorney general reasonable opportunity to examine,  
22 audit, or inspect the records and to make copies, compilations, abstracts, or summaries.

23 (f) Service of investigative demand. - An investigative demand may be served by any  
24 means provided under the Rhode Island rules of civil procedure for service of a complaint in a  
25 civil action.

26 (g) Motion to quash. - Within forty (40) days after the service of an investigative demand  
27 or at any time before the return date specified in the demand, whichever period is shorter, the  
28 person served may file in a state superior court and serve upon the attorney general a petition for  
29 an order of court modifying or setting aside the demand. The time allowed for compliance in  
30 whole or part with the demand as deemed proper and ordered by the court shall not run while the  
31 petition is pending before the court. The petition shall specify each ground upon which the  
32 petitioner relies in seeking relief, and may be based upon any failure of the demand to comply  
33 with the provisions of this chapter or upon any constitutional or other legal right, privilege, or  
34 qualified privilege of the party, including that the material or information sought constitutes trade

1 secrets or confidential scientific, technical, merchandising, production, management, or  
2 commercial information. If qualified privilege is raised, the court may order the person to comply  
3 with the demand only upon showing of particularized need and subject to an appropriate  
4 protective order. The provisions of this subsection shall be the sole and exclusive means for  
5 challenging the requirements of a demand.

6 (h) Those authorized to examine. - The examination of all persons pursuant to this  
7 section shall be conducted by the attorney general or a representative designated in writing by  
8 him or her before an officer authorized to administer oaths in this state. The statements made  
9 shall be taken down stenographically or by a sound recording device and shall be transcribed.

10 (i) Right of persons served with investigative demands. - (1) Any person required to  
11 attend and give testimony or to submit documentary material pursuant to this section shall be  
12 entitled to retain or, on payment of lawfully prescribed cost, to procure a copy of any document  
13 he or she produces and of his or her own statements as transcribed.

14 (2) Any person compelled to appear under a demand for oral testimony pursuant to this  
15 section may be accompanied, represented, and advised by counsel. Counsel may advise the  
16 person in confidence, either upon the request of the person or upon counsel's own initiative, with  
17 respect to any question asked of the person. The person or counsel may object on the record to  
18 any question, in whole or part, and shall briefly state for the record the reason for the objection.  
19 An objection may properly be made, received, and entered upon the record when it is claimed that  
20 the person is entitled to refuse to answer the question on grounds of any constitutional or other  
21 legal right or privilege, including the privilege against self incrimination. The person shall not  
22 otherwise object to or refuse to answer any question, and shall not by him or herself or through  
23 counsel otherwise interrupt the oral examination. If the person refuses to answer any question, the  
24 attorney general may petition the superior court for an order compelling the person to answer the  
25 question.

26 (3) The information and materials supplied to the attorney general pursuant to an  
27 investigative demand shall not be permitted to become public or disclosed by the attorney general  
28 or his or her employees beyond the extent necessary for antitrust enforcement purposes in the  
29 public interest.

30 (4) Upon the completion of a case brought under this chapter, the attorney general shall  
31 return any documents, answers, and transcripts, and all copies of the material; ~~which~~ that have not  
32 passed into the control of the court through their introduction into the record, to the person who  
33 provided the documents, answers, or testimony. If no case in which the material may be used has  
34 been commenced within a reasonable time after completion of the examination or analysis of all

1 documentary material, but in no event later than two (2) years after production of the  
2 documentary material, the attorney general shall, upon written request of the person who  
3 produced the material, return all documents, answers, and transcripts, and all copies of the  
4 material, to the person who provided them.

5 (5) The attorney general shall have the authority, at any time, to modify or revoke any  
6 civil investigative demand and to stipulate to protective orders with respect to documents and  
7 information submitted in response to a demand. The protective orders may include provisions  
8 appropriate to the full and adequate protection of trade secrets.

9 (j) Witness expenses. - All persons served with an investigative demand, other than  
10 those persons whose conduct or practices are being investigated, or any officer, director, or  
11 person in the employment of the person under investigation, shall be paid the same fees and  
12 mileage as paid witnesses in the courts of this state. No person shall be excused from attending  
13 the inquiry pursuant to the mandate of an investigative demand; from giving testimony; from  
14 producing documentary material; or from being required to answer questions on the ground of  
15 failure to tender or pay a witness fee or mileage unless demand for the fees or mileage is made at  
16 the time testimony is about to be taken and unless payment is not made upon demand.

17 (k) Refusal of witness to testify or produce documents. - Any person who shall neglect  
18 or refuse to attend and give testimony or to answer any lawful inquiry or to produce documentary  
19 material, if in his or her power to do so, in obedience to an investigative demand pursuant to this  
20 section, may be adjudged in civil contempt by the superior court until the time that he or she  
21 purges him or herself of contempt by testifying, producing documentary material, or presenting  
22 written answers as ordered. Any person who commits perjury or false swearing in response to an  
23 investigative demand pursuant to this section shall be punishable pursuant to the provisions of  
24 chapter 33 of title 11.

25 (l) Duty to testify immunity. - (1) If, in any investigation brought by the attorney general  
26 pursuant to this section, any individual shall refuse to attend; to give testimony; to produce  
27 documentary material; or to answer a written interrogatory in obedience to an investigative  
28 demand, or under order of court, on the ground that the testimony or material required of him or  
29 her may tend to incriminate him or her, that person may be ordered to attend and to give  
30 testimony; to produce documentary material; or to answer the written interrogatory; or to do an  
31 applicable combination of these. The order as previously stated shall be an order of court given  
32 after a hearing in which the attorney general has established a need for the grant of immunity; as  
33 provided in this subsection.

34 (2) The attorney general may petition any superior court justice for an order as described

1 in subdivision (l)(1). The petition shall set forth the nature of the investigation and the need for  
2 the immunization of the witness.

3 (3) Testimony so compelled shall not be used against the witness as evidence in any  
4 criminal proceedings against him or her in any court. However, the grant of immunity shall not  
5 immunize the witness from civil liability arising from the transactions about which testimony is  
6 given, and he or she may nevertheless be prosecuted or subjected to penalty or forfeiture for any  
7 perjury, false swearing, or contempt committed in answering, or in failing to answer, or in  
8 producing evidence, or failing to do so, in accordance with the order. If a person refuses to testify  
9 after being granted immunity from prosecution and after being ordered to testify as previously  
10 stated, he or she may be adjudged in civil contempt by the superior court until the time that he or  
11 she purges him or herself of contempt by testifying, producing documentary material, or  
12 presenting written answers as ordered. The foregoing shall not prevent the attorney general from  
13 instituting other appropriate contempt proceedings against any person who violates any of the  
14 above provisions.

15 (m) Duty of public officials. - It shall be the duty of all officials of this state and its  
16 public bodies, their deputies, assistants, clerks, subordinates, or employees, and all other persons  
17 to render and furnish to the attorney general when so requested all information and assistance in  
18 their possession or within their power.

19 **6-36-11. Enforcement.** -- (a) Action for treble damages. - Any person or public body,  
20 including the United States, ~~who shall be~~ injured in his or her business or property by reason of a  
21 violation of the provisions of this chapter may sue in superior court and shall recover threefold  
22 the damages sustained by him or her, together with reasonable costs of suit and any reasonable  
23 attorneys' fees that may be granted at the discretion of the court. The reasonable costs of suit may  
24 include, but shall not be limited to, the expenses of discovery and document reproduction. In any  
25 action under this section the fact that a person or public body has not dealt directly with the  
26 defendant shall not bar or otherwise limit recovery. Provided, however, that the court shall  
27 exclude from the amount of the damages awarded in the action, any amount of monetary relief  
28 ~~which that~~ duplicates amounts ~~which that~~ have been awarded for the same injury, but shall not  
29 exclude reasonable costs and attorneys' fees.

30 (b) Action by attorney general. - The attorney general shall investigate suspected  
31 violations of the provisions of this chapter and if he or she shall conclude that a violation is  
32 imminent, is occurring, or has occurred, he or she may institute on behalf of the state of Rhode  
33 Island or any of its departments, subdivisions, agencies, or its cities and towns, an action in  
34 superior court seeking appropriate relief. The attorney general may bring an action in federal



1 court on behalf of the state of Rhode Island; ~~or~~ any of its political subdivisions or agencies; ~~or~~ its  
2 cities and towns; to recover the damages provided for by the federal antitrust laws, and pursuant  
3 to the federal laws may undertake any measures that he or she deems necessary for the successful  
4 conduct of the action.

5 **6-36-12. Attorney general -- Suits parens patriae.** -- (a) The attorney general may  
6 bring a civil action in superior court in the name of the state, as parens patriae on behalf of  
7 persons residing in this state, to secure monetary relief as provided in this section for injuries  
8 sustained by the persons to their property by reason of any violation of this chapter. This parens  
9 patriae action shall take precedence, have priority status, and automatically stay any other action  
10 by a city or town in superior court seeking monetary relief for the same injuries sustained by the  
11 persons to their property by reason of any violation of this chapter. The court shall exclude from  
12 the amount of monetary relief awarded in this action any amount of monetary relief:

13 (1) ~~Which~~ That duplicates amounts ~~which~~ that have been awarded for the same injury; or

14 (2) ~~Which~~ That is properly allocable to persons who have excluded their claims pursuant  
15 to subsection (c)(1) of this section.

16 (b) The court shall award the state as monetary relief threefold the total damage  
17 sustained as described in subsection (a) of this section and the costs of suit, including a  
18 reasonable attorney's fee.

19 (c) (1) In any action brought under subsection (a) of this section, the attorney general  
20 shall, at the times, in the manner, and with the content that the court may direct, cause notice of  
21 the action to be given by publication.

22 (2) Any person on whose behalf an action is brought under subsection (a) may elect to  
23 exclude from adjudication the portion of the state claim for monetary relief attributable to him or  
24 her by filing notice of the election with the court within the time specified in the notice given  
25 pursuant to subsection (c)(1) of this section.

26 (3) The final judgment in an action under subsection (a) shall be res judicata as to any  
27 claim under ~~section~~ § 6-36-11 by any person on behalf of whom the action was brought and who  
28 fails to give the notice within the period specified in the notice given pursuant to subsection (c)(1)  
29 of this section.

30 (d) An action under subsection (a) shall not be dismissed or compromised without the  
31 approval of the court; and notice of any proposed dismissal or compromise shall be given by  
32 publication at the times, in the manner, and with the content that the court may direct.

33 (e) In any action under subsection (a):

34 (1) The amount of the plaintiff's attorney's fees, if any, shall be determined by the court;

1 and any attorney's fees awarded to the attorney general shall be deposited with the state as general  
2 revenues; and

3 (2) The court may, in its discretion, award a reasonable attorney's fee to a prevailing  
4 defendant upon a finding that the attorney general has acted in bad faith, vexatiously, wantonly,  
5 or for oppressive reasons.

6 (f) Monetary relief recovered in an action under this section shall: (1) ~~be~~ Be distributed  
7 in any manner that the court in its discretion may authorize; or (2) ~~be~~ Be deemed a civil penalty  
8 by the court and deposited with the state as general revenues; subject in either case to the  
9 requirement that any distribution procedure adopted afford each person a reasonable opportunity  
10 to secure his or her appropriate portion of the net monetary relief.

11 (g) In any action under this section the fact that a person or public body has not dealt  
12 directly with the defendant shall not bar or otherwise limit recovery. Provided, however, that the  
13 court shall exclude from the amount of monetary relief awarded in the action any amount of  
14 monetary relief ~~which~~ that duplicates amounts ~~which~~ that have been awarded for the same injury.  
15 No provision of this chapter shall be construed to limit the standing of any person or public body,  
16 whether the person or public body is a direct or indirect purchaser, from bringing suit on his or  
17 her own behalf.

18 **6-36-23. Limitation of actions.** -- Any action brought to enforce the provisions of this  
19 chapter shall be barred unless commenced within four (4) years after the cause of action arose, or  
20 if the cause of action is based upon a conspiracy in violation of this chapter, within four (4) years  
21 after the plaintiff discovered, or by the exercise of reasonable diligence should have discovered,  
22 the facts relied upon for proof of the conspiracy. No cause of action barred on July 1, 1979, shall  
23 be revived by this chapter. For purposes of this section, a cause of action for a continuing  
24 violation is deemed to arise at any time during the period of the violation.

25 **6-36-24. Suspension of limitation.** -- Whenever any civil or criminal proceedings shall  
26 be commenced by the state to prevent, restrain, or punish a violation of this chapter, the running  
27 of the statute of limitations in respect ~~of~~ to every private right of action arising under this chapter  
28 and based in whole or in part on any matter complained of in the proceeding shall be suspended  
29 during the pendency of the action and for one year thereafter; provided, however, that whenever  
30 the running of the statute of limitations ~~in~~ with respect ~~of~~ to a cause of action arising under either  
31 ~~section~~ §§ 6-36-10 or § 6-36-11 or both shall be suspended under this section, any action to  
32 enforce the section shall be forever barred unless commenced either within the period of  
33 suspension or within four (4) years after the cause of action accrued, whichever is later.

34 SECTION 27. Sections 6-38-2 and 6-38-4 of the General Laws in Chapter 6-38 entitled

1 "Insulation Contracts" are hereby amended to read as follows:

2 **6-38-2. Definitions.** -- For the purpose of this chapter:

3 (1) "Degree of flammability" means the rating of fire retardation of insulation products.

4 (2) "Insulation" means any product made of either cellular, granular, fibrous, or  
5 formaldehyde-based or polyurethane-based material ~~which~~ that, through gas-filled voids within  
6 these materials, is designed to retard the passage of heat through the ceiling, roof, walls, or floor  
7 of a structure.

8 (3) "Insulation contractor" means any individual, firm, partnership, corporation,  
9 company, association, or joint stock association ~~which~~ that advertises itself as, solicits as, or holds  
10 itself to be one ~~which~~ that is primarily engaged in the business of installing insulation and ~~which~~  
11 that has gross receipts for the installation of insulation of two thousand five hundred dollars  
12 (\$2,500) or more for all labor, or four thousand five hundred dollars (\$4,500) or more for all  
13 materials in any one calendar year.

14 (4) "Resistance factor" has the same meaning as "thermal resistance" as defined in the  
15 American Society of Heating, Refrigeration, and Air-conditioning Engineers (ASHRAE)  
16 Handbook of Fundamentals.

17 (5) "Vapor barrier" means any material specifically designed or intended for the purpose  
18 of restricting the passage of moisture through walls and ceilings and designed or intended to  
19 protect a structure against mildew, rot, peeling paints, and a breakdown of insulation.

20 **6-38-4. Contract provisions.** -- Contracts provided under the provisions of this chapter  
21 must include, but may not be limited to, the following:

22 (1) The type of insulation as defined in ~~section~~ § 6-38-2, the manufacturer, and the  
23 commercial brand name, if any. Under this provision, any insulation contractor intending to  
24 install a ureaformaldehyde insulation product must conspicuously include within any contract  
25 required under the provisions of this chapter the following notice in its entirety:

26 "CAUTION: Under some conditions ureaformaldehyde insulation may cause the release  
27 of formaldehyde gas into living areas; and the development of adverse health effects. Continued  
28 exposure to formaldehyde can cause nausea and vomiting, respiratory difficulties, headaches, eye  
29 irritation, and allergic reactions. The symptoms may develop anywhere from a few days to more  
30 than six (6) months after the gas is released. This notice of caution shall be acknowledged by the  
31 purchaser by signifying in an appropriate box that the purchaser has read and understands the  
32 nature and terms of the notice, provided, however, that the acknowledgment shall not constitute a  
33 waiver of any rights pursuant to the contract.";

34 (2) The resistance factor of the insulation per product inch and the thickness in inches of

1 the insulation to be installed;

2 (3) The degree of flammability of those properties. Under this provision, any insulation  
3 contractor intending to install a polyurethane-based insulation product must conspicuously  
4 include within any contract required under the provisions of this chapter the following notice in  
5 its entirety:

6 "NOTICE In the event of fire, a urethane-based product, if burned, can emit a highly  
7 toxic and deadly gas.";

8 (4) The area to be insulated as calculated in square feet, and a generic description of the  
9 area to be insulated, i.e., walls, roof, and/or floors;

10 (5) The method by which the insulation contractor intends to install the insulation;

11 (6) The type of ventilation to be installed in the insulated area. If no ventilation is to be  
12 installed, the contract must state this or must state that no ventilation is required; and the reasons  
13 for the statement must be provided;

14 (7) The type of vapor barrier to be installed. If no vapor barrier is to be installed, the  
15 contract must state this or must state that no vapor barrier is required and the reasons for the  
16 statement must be provided;

17 (8) A guarantee against product settling or a statement as to the maximum percentage by  
18 which the insulation product can be expected to settle and over what period of time the settling  
19 can take place;

20 (9) A detailed description of structural changes required to install insulation; and an  
21 estimate of the cost of those changes. If no structural changes are required, the contract must state  
22 this;

23 (10) A statement of the insulation contractor's intent to complete all work necessary to  
24 restore the structure and surrounding area to its condition prior to commencement of installation  
25 of insulation;

26 (11) The provisions of all product and installer warranties; and

27 (12) The name, business address, and owner of the firm, partnership, corporation,  
28 company, association, or joint stock association providing the goods and services as described in  
29 the contract.

30 SECTION 28. Sections 6-41-1, 6-41-4 and 6-41-10 of the General Laws in Chapter 6-41  
31 entitled "Uniform Trade Secrets Act" are hereby amended to read as follows:

32 **6-41-1. Definitions.** -- As used in this chapter, unless the context requires otherwise:

33 (1) "Improper means" includes theft, bribery, misrepresentation, breach or inducement of  
34 a breach of a duty to maintain secrecy, or espionage through electronic or other means;

1 (2) "Misappropriation" means:

2 (i) Acquisition of a trade secret of another by a person who knows or has reason to know

3 that the trade secret was acquired by improper means; or

4 (ii) Disclosure or use of a trade secret of another without express or implied consent by a

5 person who:

6 (A) Used improper means to acquire knowledge of the trade secret; or

7 (B) At the time of disclosure or use, knew or had reason to know that his or her

8 knowledge of the trade secret was:

9 (I) Derived from or through a person who had utilized improper means to acquire it;

10 (II) Acquired under circumstances giving rise to a duty to maintain its secrecy or limit its

11 use; or

12 (III) Derived from or through a person who owed a duty to the person seeking relief to

13 maintain its secrecy or limit its use; or

14 (C) Before a material change of his or her position, knew or had reason to know that it

15 was a trade secret and that knowledge of it had been acquired by accident or mistake.

16 (3) "Person" means a natural person, corporation, business trust, estate, trust, partnership,

17 association, joint venture, government, governmental subdivision or agency, or any other legal or

18 commercial entity.

19 (4) "Trade secret" means information, including a formula, pattern, compilation,

20 program, device, method, technique, or process, that:

21 (i) Derives independent economic value, actual or potential, from not being generally

22 known to, and not being readily ascertainable by proper means by, other persons who can obtain

23 economic value from its disclosure or use; and

24 (ii) Is the subject of efforts that are reasonable under the circumstances to maintain its

25 secrecy.

26 **6-41-4. Attorney's fees.** -- If (a) a claim of misappropriation is made in bad faith; or (b)

27 a motion to terminate an injunction is made or resisted in bad faith; or (c) willful and malicious

28 misappropriation exists, the court may award reasonable attorney's fees to the prevailing party.

29 **6-41-10. Severability.** -- If any provision of this chapter or its application to any person

30 or circumstances is held invalid, the invalidity does not affect other provisions or applications of

31 the chapter which that can be given effect without the invalid provision or application; and to this

32 end the provisions of this chapter are severable.

33 SECTION 29. Section 6-42-2 of the General Laws in Chapter 6-42 entitled "Checks and

34 Other Instruments - Dishonor" is hereby amended to read as follows:

1           **6-42-2. Term of notes -- Form of notice of dishonor.** -- (a) A notice of dishonor sent by  
2 a holder to a maker or drawer pursuant to ~~section~~ § 6-42-1 shall substantially comply with the  
3 following form:

4           NOTICE OF DISHONORED CHECK  
5           DATE \_\_\_\_\_  
6           NAME OF ISSUER \_\_\_\_\_  
7           STREET ADDRESS \_\_\_\_\_  
8           CITY AND STATE \_\_\_\_\_

9           You are according to law hereby notified that a check or instrument numbered \_\_\_\_\_  
10 and dated \_\_\_\_\_ 20\_\_\_\_\_, drawn on \_\_\_\_\_ (bank or other financial institution) of  
11 \_\_\_\_\_, in the amount of \_\_\_\_\_ has been returned unpaid with the notation that the  
12 payment has been refused because of rule. Within thirty (30) days from the mailing of this notice,  
13 you must pay or tender to

14           (holder)  
15           at \_\_\_\_\_  
16           sufficient money to pay the check  
17           (address of holder)

18 draft or instrument in full. If payment of the above amount is not made within thirty (30) days of  
19 the mailing of this notice of dishonor, you may be liable under ~~section~~ § 6-42-3, in addition to the  
20 amount of the check, draft, or other instrument, and a collection fee of twenty-five dollars  
21 (\$25.00), for an amount of up to three (3) times the amount of the check, draft, or other  
22 instrument, but in no case less than two hundred dollars (\$200) and not more than one thousand  
23 dollars (\$1,000).

24           \_\_\_\_\_  
25           (signature of holder)

26           (b) The notice provided for in subsection (a) shall be sent certified mail, return receipt  
27 requested, or by regular mail when such mailing is supported by an affidavit of service by mail.

28           SECTION 30. Section 6-43-1 of the General Laws in Chapter 6-43 entitled "Regulation  
29 of the Rental of Video Recordings to Minors" is hereby amended to read as follows:

30           **6-43-1. Regulation of rentals to minors.** -- (a) No person, firm, or corporation, engaged  
31 in the business of the rental of video cassette recordings shall rent a recording ~~which~~ that has been  
32 labeled, advertised, or otherwise held out to be "X", "XX", or "XXX" to any person who is under  
33 the age of eighteen (18). The use of the designation "X", "XX", or "XXX" on a video cassette  
34 recording or its packaging shall constitute the labeling and advertisement for purposes of this

1 chapter.

2 (b) If the person, firm, or corporation renting a video cassette recording is in doubt as to  
3 the age of any person seeking to rent a recording ~~which~~ that has been labeled, advertised, or  
4 otherwise held out to be "X", "XX", or "XXX", demand may be made that the person produce any  
5 of the following documents: (1) ~~a~~ A birth certificate; (2) ~~a~~ A baptismal certificate; (3) ~~an~~ An  
6 armed services identification card; (4) ~~a~~ A Rhode Island motor vehicle operator's license; or (5) ~~a~~  
7 A Rhode Island identification card; and may require that any person who has shown a document  
8 as set forth in this section substantiating his or her age, ~~to~~ sign his or her name in a book kept for  
9 this purpose indicating which document was presented. If a person whose age is questioned shall  
10 sign the book before he or she rents a video cassette recording, and it is later determined that the  
11 person was not over eighteen (18) years of age, it shall be considered prima facie evidence that  
12 the person, firm, or corporation renting the recording acted in good faith in renting to the person.

13 (c) Nothing contained in this chapter shall be construed as adopting, incorporating, or  
14 referring to the motion picture rating system of the motion picture association of America or of  
15 any other private or public organization.

16 SECTION 31. Sections 6-44-3, 6-44-5, 6-44-6, 6-44-8 and 6-44-9 of the General Laws in  
17 Chapter 6-44 entitled "Rental Purchase Agreements" are hereby amended to read as follows:

18 **6-44-3. General requirements of disclosure.** -- (a) Each lessor shall give to the lessee,  
19 prior to the execution of the lease, a dated, written statement on which the lessor and lessee are  
20 identified setting out accurately and in a clear and conspicuous manner the following information  
21 with respect to the lease, as applicable:

22 (1) A brief description or identification of the leased property, including whether the  
23 property is new or used;

24 (2) The amount of any payment required by the lessee at or before the execution of the  
25 lease;

26 (3) The amount paid or payable by the lessee for fees or taxes;

27 (4) The amount and description of other charges payable by the lessee and not included  
28 in the periodic payments;

29 (5) A statement of the amount or method of determining the amount of any liabilities the  
30 lease imposes upon the lessee at the end of the term of the lease; whether or not the lessee has the  
31 option to purchase the leased property and the price at which the leased property may be  
32 purchased at the end of the lease; w and the method of determining the early purchase option price  
33 at any point in time;

34 (6) A statement identifying all express warranties and guarantees made by the



1 manufacturer or lessor with respect to the leased property and identifying the party responsible  
2 for maintaining or servicing the leased property together with a description of the responsibility;

3 (7) A brief description of insurance provided or paid for by the lessor or required of the  
4 lessee, including the types and amount of the coverages and costs;

5 (8) The number, amount, and due dates or periods of payments under the lease and the  
6 total amount of the periodic payments; and

7 (9) A statement of the conditions under which the lessee or lessor may terminate the  
8 lease prior to the end of the term or that no right to terminate exists and the amount or method of  
9 determining the amount of any penalty or other charge for delinquency, default, late payments, or  
10 early termination.

11 (b) The disclosures required under this section may be made in the lease contract to be  
12 signed by the lessee or may be made in a separate, written document ~~which~~ that shall be attached  
13 to the lease contract. Any of the information required to be disclosed under this section may be  
14 given in the form of estimates where the lessor is not in a position to know the exact information.

15 **6-44-5. Reinstatement.** -- (a) A lessee who fails to make timely lease payments has the  
16 right to reinstate the original rental purchase agreement without losing any rights or options  
17 previously acquired under the rental purchase agreement within three (3) lease terms after the  
18 expiration of the last lease term for which the lessee made a timely payment if the lessee  
19 surrenders the leased property to the lessor when the lessor or its agent requests him or her to  
20 surrender the leased property.

21 (b) Before reinstating a rental purchase agreement, a lessor may require a lessee to pay  
22 any unpaid lease payments; delinquency charges; a reasonable reinstatement fee of not more  
23 than five dollars (\$5.00); and a delivery charge if redelivery of the leased property is necessary.

24 (c) If reinstatement occurs pursuant to this section, the lessor shall provide the lessee  
25 with either the same property leased by the lessee prior to reinstatement or substitute property that  
26 is of comparable quality and condition. If substitute property is provided, the lessor shall provide  
27 the lessee with all of the disclosures required by ~~section~~ § 6-44-3 of this chapter.

28 **6-44-6. Early purchase option.** -- A rental purchase agreement must provide that, at any  
29 time after the initial payment, the lessee may acquire ownership of the property by complying  
30 with the terms of an early purchase option ~~which~~ that must be clearly set forth in the rental  
31 purchase agreement.

32 **6-44-8. Advertisements.** -- (a) If an advertisement for a rental purchase agreement states  
33 the amount of any payment or states that any or no initial payment is required, the advertisement  
34 shall also clearly and conspicuously state the following items; as applicable:

- 1 (1) That the transaction advertised is a lease;
- 2 (2) The total of initial payments required at or before execution of the lease or delivery  
3 of the property, whichever is later;
- 4 (3) That a security deposit is required; if applicable;
- 5 (4) The number, amounts, and timing of scheduled payments; and
- 6 (5) For a lease in which the liability of the lessee at the end of the lease term is based on  
7 the anticipated residual value of the property, that an extra charge may be imposed at the end of  
8 the lease term.

9 (b) If an advertisement for a consumer lease refers to or states the amount of any  
10 payment and that the lessee has the right to acquire ownership of any particular item, the  
11 advertisement shall further clearly and conspicuously state the following items; as applicable:

12 (1) The total of payments necessary to acquire ownership, if ownership is acquired  
13 through the accumulation of periodic payments; the price at which the leased property may be  
14 purchased at the end of the lease; and the method of determining the purchase price at any point  
15 in time if acquired through the exercise of the early option to purchase; and

16 (2) That the consumer lessee acquires no ownership right if the total amount necessary to  
17 acquire ownership is not paid or the option to purchase is not exercised by payment of the  
18 purchase price.

19 (c) Any owner or the agents or employees of any owner of any medium in which an  
20 advertisement appears or through which it is disseminated shall not be liable under this section.

21 **6-44-9. Enforcement.** -- (a) A lessee who has suffered a loss due to a violation of this  
22 chapter by a lessor is entitled to recover from the lessor actual damages, reasonable attorney's  
23 fees, and court costs.

24 (b) A lessor shall not be held liable in any action brought under this section if he or she  
25 shows by a preponderance of the evidence that the violation was not intentional and resulted from  
26 a bona fide error, notwithstanding the maintenance of procedures reasonably adopted to avoid any  
27 error. A bona fide error shall include, but shall not be limited to, clerical, calculation, computer  
28 malfunction, and programming and printing errors; provided, that an error of legal judgment with  
29 respect to a person's obligations under this chapter shall not be a bona fide error.

30 (c) A lessor shall not be deemed liable under this chapter for a violation of the provisions  
31 of ~~section~~ § 6-44-3 if, within sixty (60) days after discovering the error and before an action is  
32 filed in accordance with the provisions of this section or written notice of the error is received  
33 from the consumer, the lessor notifies the consumer of the error and makes whatever adjustments  
34 in the account necessary to assure that the consumer shall not be required to pay an amount in

1 excess of the amounts actually disclosed. This provision shall apply whether the discovery of the  
2 error was made through the lessor's own procedures or otherwise.

3 (d) An action shall not be brought under this chapter more than one year after the  
4 occurrence of the act, method, or practice ~~which~~ that is the subject of the action, or more than one  
5 year after the last payment in a transaction involving the method, act, or practice ~~which~~ that is the  
6 subject of the action, whichever is later.

7 SECTION 32. Sections 6-45-1, 6-45-2, 6-45-3, 6-45-4, 6-45-5 and 6-45-7 of the General  
8 Laws in Chapter 6-45 entitled "Consumer Enforcement of Assistive Technology Device  
9 Warranties" are hereby amended to read as follows:

10 **6-45-1. Definitions.** -- The following words and phrases as used in this chapter, for the  
11 purposes of this chapter, have the following meanings:

12 (1) "Assistive technology device" means any item, piece of equipment, or product  
13 system, whether acquired commercially off the shelf, modified, or customized, that is used or  
14 designed to be used to increase, maintain, or improve any functional capability of an individual  
15 with disabilities. An assistive technology device system that as a whole is within the definition of  
16 this term is itself an assistive technology device, and in this case, this term also applies to each  
17 component product of the assistive technology device system that is itself ordinarily an assistive  
18 technology device. This term includes, but is not limited to:

19 (i) Wheelchairs and scooters of any kind, and other aids that enhance the mobility or  
20 positioning of an individual, such as motorization, motorized positioning features, and the  
21 switches and controls for any motorized features;

22 (ii) Hearing aids, telephone communication devices for persons who are deaf or hard of  
23 hearing, and other assistive listening devices;

24 (iii) Computer equipment and reading devices with voice output, optical scanners,  
25 talking software, Braille printers, and other aids and devices that provide access to text;

26 (iv) Computer equipment with voice output, artificial larynges, voice amplification  
27 devices, and other alternative and augmentative communication devices;

28 (v) Voice recognition computer equipment, software and hardware accommodations,  
29 switches, and other forms of alternative access to computers;

30 (vi) Environmental control units; and

31 (vii) Simple mechanical aids that enhance the functional capabilities of an individual  
32 with disabilities.

33 (2) "Assistive technology device dealer" means a dealer who is in the business of selling  
34 or leasing assistive technology devices. A dealer shall be an assistive technology device dealer

1 with respect to a particular sale or lease of a product that constitutes an assistive technology  
2 device as to that sale or lease; if he or she is in the business generally of selling or leasing that  
3 product or kind of product; without regard to whether that product constitutes an assistive  
4 technology device for other buyers.

5 (3) "Assistive technology device system" means the final product resulting from a  
6 manufacturer customizing, adapting, reconfiguring, refitting, refurbishing, or composing into a  
7 system one or more component products, whether or not new, that may be assistive technology  
8 devices or standard products of the same or other manufacturer.

9 (4) "Collateral costs" means expenses incurred by a consumer in connection with the  
10 repair of a nonconformity, including the costs of obtaining another device or service to substitute  
11 for the absence, due to a nonconformity or attempt to repair, of the device sold or leased to the  
12 consumer, if no loaner was offered to the consumer, except to the extent the person opposing  
13 liability for these costs shall prove that incurring these expenses was not reasonable in light of the  
14 sophistication of    and the means readily available    to the consumer.

15 (5) "Conforming replacement" means a new device in good working order that is  
16 identical to or has functional capabilities equal to or greater than those of the original device.

17 (6) "Consumer" of an assistive technology device means the person who is a party,  
18 whether the buyer or the lessee, to the contract of sale or lease, respectively, of that device. This  
19 party may be, but is not necessarily, the user.

20 (7) "Dealer" means the person who is the party, whether the seller or the lessor, to the  
21 contract with the consumer of sale or lease of the device.

22 (8) "Demonstrator" means an assistive technology device that would be new but for its  
23 use; since its manufacture; only for the purpose of demonstrating the device to the public or  
24 prospective buyers or lessees.

25 (9) "Early termination cost" means any expense or obligation that a lessor incurs as a  
26 result of both the termination of a written lease before the termination date set forth in that lease  
27 and the return of the device to the manufacturer. Early termination cost includes a penalty for  
28 prepayment under a finance arrangement.

29 (10) "Early termination savings" means any expense or obligation that a lessor avoids as  
30 a result of both the termination of a written lease before the termination date set forth in that lease  
31 and the return of the device to the manufacturer, which shall include an interest charge that the  
32 lessor would have paid to finance the device or, if the lessor does not finance the device, the  
33 difference between the total amount for which the lease obligates the consumer during the period  
34 of the lease term remaining after the early termination and the present value of that amount at the

1 date of the early termination.

2 (11) "Individual with disabilities" means any individual who is considered to have a  
3 mental or physical disability or impairment for the purposes of any other law of this state or of the  
4 United States, including any rules or regulations under this state or of the United States.

5 (12) "Loaner" means a device provided to the consumer for use by the user free of  
6 charge that need not be new, ~~or nor~~ be identical to, ~~or nor~~ have functional capabilities equal to or  
7 greater than those of the original device, but that meets the following conditions:

8 (i) It is in good working order;

9 (ii) It performs at a minimum the most essential functions of the original device, in light  
10 of the disabilities of the user; and

11 (iii) Any differences between it and the original device do not create a threat to safety.

12 (13) "Manufacturer" means:

13 (i) The person who manufactures or assembles an assistive technology device;

14 (ii) The person who manufactures or assembles a product that becomes a component  
15 product of an assistive technology device system, to the extent such product is itself ordinarily an  
16 assistive technology device; and

17 (iii) Agents of a person described in subsection (13)(i) or (13)(ii) of this section,  
18 including an importer, a distributor, factory branch, distributor branch, and any warrantors of the  
19 manufacturer's devices, provided that such agents shall not include, with respect to a particular  
20 transaction, the dealer, unless the dealer is also a person described in subsection (13)(i) or (13)(ii)  
21 of this section.

22 (14) "Nonconformity" of an assistive technology device means any failure of the device  
23 to conform to any applicable express or implied warranties that substantially impairs the use,  
24 value, or safety of the device. The implied warranties described in the preceding sentence include,  
25 but are not limited to, the implied warranty of merchantability described in ~~section~~ [§§ 6A-2-314](#)  
26 or [6A-2.1-212](#), and the implied warranty of fitness for a particular purpose described in ~~section~~ [§§](#)  
27 [6A-2-315](#) or [6A-2.1-213](#) and subject to the provisions of ~~section~~ [§ 6-45-2](#).

28 (15) "Term A" means the year following the date the device is first delivered into the  
29 possession of the consumer.

30 (16) "Term B" means the two (2) years following the date the device is first delivered  
31 into the possession of the consumer.

32 (17) "User" of an assistive technology device means the individual with a disability who,  
33 by reason of this disability, needs and actually uses that device.

34 **6-45-2. Effect on implied warranties of Uniform Commercial Code.** -- (a) For

1 purposes of ~~section~~ [§§ 6A-2-314 or 6A-2.1-212](#) and ~~section~~ [§§ 6A-2-315 or 6A-2.1-213](#), with  
2 respect to a sale or a lease of an assistive technology device, the term "seller" or "lessor" includes  
3 the manufacturer of the device.

4 (b) For purposes of ~~section~~ [§§ 6A-2-315 or 6A-2.1-213](#), with respect to a sale or lease of  
5 an assistive technology device, the seller or lessor shall be deemed to know that the particular  
6 purpose, for which the device is required, is to increase, maintain, or improve those functional  
7 capabilities that are appropriate to the kind of device involved; in light of any knowledge that the  
8 seller or lessor may have acquired of the disabilities of the consumer.

9 (c) For purposes of ~~section~~ [§§ 6A-2-315 or 6A-2.1-213](#), with respect to a sale or lease of  
10 an assistive technology device, the seller or lessor shall be deemed to know that the consumer is  
11 relying on the seller's or lessor's skill or judgment to select or furnish a suitable device in light of  
12 the knowledge that the seller or lessor has, or is deemed to have by reason of subsection (b) of  
13 this section, unless the consumer specifies a particular device and signs and is furnished a copy of  
14 a writing that:

15 (1) Particularly describes the device that the consumer is specifying;

16 (2) States that this person is specifying that device described; and

17 (3) Contains the following notice, conspicuously in type that is at least four [\(4\)](#) points  
18 larger than the surrounding text: "There is no warranty (guarantee) that this product will be fit for  
19 your particular needs. There is only a warranty (guarantee) that the product will be fit for the  
20 purposes that it ordinarily meets. This is because you have specified the product you want to buy  
21 instead of relying on the seller's/lessor's knowledge to help choose one based upon your particular  
22 needs."

23 (d) With respect to a sale or lease of an assistive technology device, the implied warranty  
24 of merchantability described in ~~section~~ [§§ 6A-2-314 or 6A-2.1-212](#); and the implied warranty of  
25 fitness for a particular purpose described in ~~section~~ [§§ 6A-2-315 or 6A-2.1-213](#); shall not be  
26 excluded or modified, pursuant to ~~section~~ [§§ 6A-2-316 or 6A-2.1-214](#) or otherwise.

27 **6-45-3. Repair of assistive technology device with nonconformity.** -- (a) If a new  
28 assistive technology device or demonstrator has a nonconformity and the consumer first reports  
29 that nonconformity to the manufacturer of the device or its authorized dealer within Term B, then  
30 the manufacturer of the device shall be jointly obligated, together with any authorized dealer; if  
31 an assistive technology device dealer was involved in the sale or lease of the device, to effect any  
32 repairs as are necessary to conform the device to all warranties, notwithstanding that those repairs  
33 might be made after the expiration of Term B.

34 (b) For all purposes of this chapter, a consumer reports a nonconformity when he or she:

1 (1) Makes any communication, written or oral, that describes a problem with the device,  
2 or that may be reasonably understood as an expression of dissatisfaction with any aspect of the  
3 operation of the device, which communication need only indicate in any way the nature of the  
4 problem, such as an indication of the functions that the device is not achieving or achieving  
5 unsatisfactorily to the consumer, and need not be in technical language or attempt to state the  
6 cause of the problem;

7 (2) Does not refuse to make the device available to the manufacturer or dealer for repair;  
8 and

9 (3) The problem indicated by the consumer's communication constitutes, or is caused by,  
10 a nonconformity.

11 (c) It shall be presumed that the consumer has made the device available to the  
12 manufacturer or dealer for repair if he or she allows the manufacturer or dealer to take it from the  
13 consumer's home or other location where the user customarily uses the device. The consumer  
14 shall be required to deliver the device to another location only upon a showing that it would be a  
15 substantially greater hardship for the manufacturer and dealer to take the device from the  
16 consumer's home, or other location where the user customarily uses the device, than for the  
17 consumer to deliver the device.

18 (d) Whether or not the rights of the consumer provided by ~~section §~~ 6-45-5(a) have  
19 arisen, and in addition to the remedies relating to collateral costs provided by this chapter, a  
20 person who is under an obligation to repair pursuant to this section is obliged immediately to  
21 provide the consumer a loaner; if the absence of a loaner would be a threat to the safety of the  
22 user, but in any event when the out-of-service period exceeds seven (7) days; as determined by  
23 ~~section §§~~ 6-45-4(b) and (c).

24 **6-45-4. Reasonable number of attempts to repair.** -- (a) A "reasonable number of  
25 attempts to repair" an assistive technology device with a nonconformity means the occurrence of  
26 one or both of the following:

27 (1) The same nonconformity; that is first reported during Term A; is subject to repair two  
28 (2) or more times during Term B; ~~or~~

29 (2) The device is out-of-service for an aggregate of thirty (30) or more calendar days  
30 during Term A because of one or more nonconformities.

31 (b) For purposes of counting the days for which a device is out-of-service because of one  
32 or more nonconformities, an out-of-service period shall begin with and include the day ~~which~~ that  
33 is the later of:

34 (1) The day the nonconformity first appears; ~~or~~



1 (2) The business day prior to the day on which the consumer first reports the  
2 nonconformity to the manufacturer of the device or its authorized dealer.

3 (c) For purposes of counting the days for which a device is out-of-service because of one  
4 or more nonconformities, an out-of-service period shall end with and include; the day on which  
5 the device is returned after repair, and is then free of nonconformities, to the possession of the  
6 consumer, unless this return is made by 10:00 a.m. of that day; in which case the out-of-service  
7 period shall end with and include the previous day.

8 (d) In the event an out-of-service period has commenced during Term A, then for  
9 purposes of subsection (a)(2) ~~of this section~~, Term A shall continue until the end of this out-of-  
10 service period.

11 **6-45-5. Replacement or refund for device.** -- (a) If, after a reasonable number of  
12 attempts to repair, a nonconformity develops in a new assistive technology device or  
13 demonstrator, the manufacturer shall carry out the requirement under subsections (a)(1) and (a)(2)  
14 ~~of this section~~, at the sole option of the consumer upon his or her request for it:

15 (1) (i) In the case of a sale, the manufacturer shall refund to the consumer and to any  
16 holder of a perfected security interest, as their interest may appear, the full purchase price plus  
17 any finance charge or sales tax paid by the consumer at the point of sale and collateral costs, less  
18 a reasonable allowance for use.

19 (ii) In the case of a lease, the manufacturer shall refund to the lessor and to any holder of  
20 a perfected security interest, as their interest may appear, the current value of the lease and refund  
21 to the consumer the amount that the consumer paid under the lease plus any collateral costs, less a  
22 reasonable allowance for use.

23 (2) The manufacturer shall provide a conforming replacement.

24 (b) (1) To receive the refund described in subsection (a)(1) ~~of this section~~ or the  
25 replacement described in subsection (a)(2) ~~of this section~~, the consumer shall offer to the  
26 manufacturer of the device or its authorized dealer to transfer possession of the device.

27 (2) The manufacturer shall make the refund required by this section within fourteen (14)  
28 calendar days after the offer described in this subsection.

29 (3) The manufacturer shall make the replacement required by this section within thirty  
30 (30) calendar days after the offer described in this subsection.

31 (4) If the replacement required by this section is not made within fourteen (14) calendar  
32 days after the offer described in this subsection, then the manufacturer shall provide the consumer  
33 a loaner for use until replacement is made.

34 (5) The manufacturer may require that, simultaneously with the manufacturer timely

1 making the refund payment described in subsection (a)(1) of this section or the replacement  
2 described in subsection (a)(2) of this section, the consumer shall deliver possession of the original  
3 device to the manufacturer or its authorized dealer and sign any documents necessary to, or to  
4 provide reasonable evidence of, a transfer of title and possession of the device to any person as  
5 the manufacturer shall designate.

6 (6) The manufacturer may impose the requirements described in subsection (b)(5) of this  
7 section only if:

8 (i) The time and place of the mutual activities described in subsections (b)(2), (b)(3), and  
9 (b)(5) ~~of this section~~ are readily accessible to the consumer; and

10 (ii) The manufacturer provides the consumer a writing that is received no later than four  
11 (4) business days before the time of these mutual activities; and states in clear and understandable  
12 language the time and place of these mutual activities and the requirements allowed by subsection  
13 (b)(5) ~~of this section~~ that the consumer must meet at that time and place.

14 (c) A reasonable allowance for use shall be that amount obtained by multiplying the full  
15 purchase price (or in the case of a lease, the total amount for which the lease obligates the  
16 consumer) by a fraction, the denominator of which is the number of days in the useful life of the  
17 device and the numerator of which is the number of days after delivery of the device to the  
18 consumer and prior to the beginning of the first out-of-service period as defined in ~~section~~ § 6-45-  
19 4(b).

20 (d) As used in subsection (c) of this section, the useful life of the device equals the  
21 greater of:

22 (1) Five (5) years; or

23 (2) Any other time that the consumer may prove to be the expected useful life of devices  
24 of the same kind.

25 (e) The current value of the lease equals the total amount for which that lease obligates  
26 the consumer during the period of the lease remaining after its early termination, plus the lessor's  
27 early termination costs and the value of the device at the lease expiration date, less the lessor's  
28 early termination savings.

29 (f) In the case of a manufacturer of an assistive technology device system of which one  
30 or more component products are not new, if the dealer gives the consumer, prior to his or her  
31 decision to enter into the sale or lease, a written statement specifying the component products that  
32 are not new; and containing the following statement: "You will not have replace-or-refund rights  
33 under the Assistive Technology Lemon Law for the component products listed on this sheet;"  
34 then the manufacturer shall not have the duties and liabilities of a manufacturer under this section

1 with respect to these component products, but only with respect to component products that are  
2 new and to the work performed by the manufacturer in creating the assistive technology device  
3 system.

4 **6-45-7. Remedies.** -- (a) In addition to pursuing any other remedy, a consumer may bring  
5 an action to recover any damages caused by a violation of this chapter, plus taxable costs and  
6 reasonable attorneys' fees. For a violation of any of the obligations provided by ~~section~~ § 6-45-  
7 5(a), whether relative to a refund as described in ~~section~~ § 6-45-5(a)(1) or to a replacement as  
8 described in ~~section~~ § 6-45-5(a)(2), the court shall award damages equal to the greater of:

9 (1) Actual damages; or

10 (2) The sum of:

11 (i) Two (2) times the amount obtained as:

12 (A) The amount that should have been refunded under ~~section~~ § 6-45-5(a)(1); or that  
13 should have been refunded under ~~section~~ § 6-45-5(a)(1) had the consumer chosen that option;  
14 minus

15 (B) The amount that was actually refunded, if any; minus

16 (C) The amount, if any, of the difference between the amounts described in clauses (A)  
17 and (B) that was attributable to a good faith dispute by the manufacturer as to:

18 (I) The amount of collateral costs; or

19 (II) The length of a useful life greater than five (5) years in calculating the reasonable  
20 allowance for use under ~~section~~ §§ 6-45-5(c) and 6-45-5(d); and

21 (ii) The amount described in ~~subparagraph~~ subsection (a)(2)(i)(C) of this section.

22 (b) Actual damages caused by a violation of this chapter shall include collateral costs,  
23 beginning at the time of the violation, whether or not the consumer acquired the rights provided  
24 by ~~section~~ § 6-45-5(a).

25 (c) The remedies of a buyer or lessee described in ~~section~~ §§ 6A-2-715 or 6A-2.1-520,  
26 with respect to an assistive technology device, shall not be excluded or limited.

27 (d) The rights and remedies provided to the consumer by this chapter shall be in addition  
28 to those available under any other law.

29 (e) Any waiver by a consumer of rights under this chapter is void.

30 SECTION 33. Sections 6-46-2, 6-46-3, 6-46-4, 6-46-5, 6-46-6, 6-46-7 and 6-46-11 of the  
31 General Laws in Chapter 6-46 entitled "Equipment Dealerships" are hereby amended to read as  
32 follows:

33 **6-46-2. Definitions.** -- For the purposes of this chapter, the terms defined in this section  
34 have the following meanings:

1 (1) "Current net price" means the price listed in the supplier's price list or catalog in  
2 effect at the time the dealer agreement is terminated, less any applicable discounts allowed.

3 (2) "Dealer" means a person, corporation, or partnership primarily engaged in the  
4 business of retail sales of farm and utility tractors, forestry equipment, industrial or construction  
5 equipment, farm implements, farm machinery, yard and garden equipment, attachments,  
6 accessories, and repair parts. The term "dealer" shall not include a single-line dealer primarily  
7 engaged in the retail sale and service of industrial, forestry, and construction equipment.

8 (3) "Dealer agreement" means a written or oral contract or agreement between a dealer  
9 and a wholesaler, manufacturer, or distributor by which the dealer is granted the right to sell or  
10 distribute goods or services or to use a trade name, trademark, service mark, logotype, or  
11 advertising or other commercial symbol.

12 (4) "Inventory" means farm, utility, forestry, industrial or construction equipment,  
13 implements, machinery, yard and garden equipment, attachments, or repair parts.

14 (5) "Net cost" means the price the dealer paid the supplier for the inventory, less all  
15 applicable discounts allowed, plus the amount the dealer paid for freight costs from the supplier's  
16 location to the dealer's location. In the event of termination of a dealer agreement by the supplier,  
17 "net cost" includes the reasonable cost of assembly and/or disassembly performed by a dealer.

18 (6) "Single-line dealer" means a person, partnership, or corporation who or that:

19 (i) Has purchased seventy-five percent (75%) or more of the dealer's total new product  
20 inventory from a single supplier; and

21 (ii) Who has a total annual average sales volume for the previous three (3) years in  
22 excess of twenty million dollars (\$20,000,000) for the entire territory for which the dealer is  
23 responsible.

24 (7) "Supplier" means a wholesaler, manufacturer, or distributor of inventory who enters  
25 into a dealer agreement with a dealer.

26 (8) "Termination" of a dealer agreement means the cancellation, non-renewal, or non-  
27 continuance of the agreement.

28 **6-46-3. Notice of termination of dealer agreements.** -- (a) Notwithstanding any  
29 agreement to the contrary, prior to the termination of a dealer agreement, a supplier shall notify  
30 the dealer of the termination not less than one hundred twenty (120) days prior to the effective  
31 date of the termination. No supplier may terminate, cancel, or fail to renew a dealer agreement  
32 without cause. For purposes of this subsection "cause" means failure by an equipment dealer to  
33 comply with requirements imposed upon the equipment dealer by the dealer agreement, provided  
34 the requirements are not substantially different from those requirements imposed upon other

1 similarly situated dealers in this state.

2 (b) The supplier may immediately terminate the agreement at any time upon the  
3 occurrence of any of the following events:

4 (1) The filing of a petition for bankruptcy or for receivership either by or against the  
5 dealer;

6 (2) The making by the dealer of an intentional and material misrepresentation as to the  
7 dealer's financial status;

8 (3) Any default by the dealer under a chattel mortgage or other security agreement  
9 between the dealer and the supplier;

10 (4) The commencement of voluntary or involuntary dissolution or liquidation of the  
11 dealer if the dealer is a partnership or corporation;

12 (5) A change in location of the dealer's principal place of business as provided in the  
13 agreement without the prior written approval of the supplier;

14 (6) Withdrawal of an individual proprietor, partner, major shareholder, or the involuntary  
15 termination of the manager of the dealership, or a substantial reduction in the interest of a partner  
16 or major shareholder without the prior written consent of the supplier.

17 (c) Unless there is an agreement to the contrary, a dealer who intends to terminate a  
18 dealer agreement with a supplier shall notify the supplier of that intent not less than one hundred  
19 twenty (120) days prior to the effective date of the termination.

20 (d) Notification required by either party under this section shall be in writing and shall be  
21 made by certified mail or by personal delivery and shall contain:

22 (1) A statement of intention to terminate the dealer agreement;

23 (2) A statement of the reasons for the termination; and

24 (3) The date on which the termination shall be effective.

25 **6-46-4. Supplier's duty to repurchase inventory.** -- (a) Whenever a dealer enters into a  
26 dealer agreement under which the dealer agrees to maintain an inventory, and the agreement is  
27 terminated by either party as provided in this chapter, the supplier, upon written request of the  
28 dealer filed within thirty (30) days of the effective date of the termination, shall repurchase the  
29 dealer's inventory as provided in this chapter. There shall be no requirement for the supplier to  
30 repurchase inventory pursuant to this section if:

31 (1) The dealer has made an intentional and material misrepresentation as to the dealer's  
32 financial status;

33 (2) The dealer has defaulted under the chattel mortgage or other security agreement  
34 between the dealer and supplier; or

1 (3) The dealer has filed a voluntary petition in bankruptcy.

2 (b) Whenever a dealer enters into a dealer agreement in which the dealer agrees to  
3 maintain an inventory and the dealer or the majority stockholder of the dealer, if the dealer is a  
4 corporation, dies, or becomes incompetent, the supplier shall, at the option of the heir, personal  
5 representative, ~~or~~ guardian of the dealer, or the person who succeeds to the stock of the majority  
6 stockholder, repurchase the inventory as if the agreement had been terminated. The heir, personal  
7 representative, guardian, or succeeding stockholder has six (6) months from the date of the death  
8 of the dealer or majority stockholder to exercise the option under this chapter.

9 **6-46-5. Repurchase terms.** -- (a) Within ninety (90) days from the receipt of the written  
10 request of the dealer, a supplier under the duty to repurchase inventory pursuant to this chapter  
11 may examine any books or records of the dealer to verify the eligibility of any item for  
12 repurchase. Except as otherwise provided in this chapter, the supplier shall repurchase from the  
13 dealer all inventory, required signage, special tools, books, supplies, data processing equipment,  
14 and software previously purchased from the supplier or other qualified vendor in the possession  
15 of the dealer on the date of termination of the dealer agreement.

16 (b) The supplier shall pay the dealer:

17 (1) One hundred percent (100%) of the net cost of all new and undamaged and complete  
18 farm and utility tractors, forestry equipment, light industrial equipment, farm implements, farm  
19 machinery, or yard and garden equipment purchased within the past thirty six (36) months from  
20 the supplier, less a reasonable allowance for deterioration attributable to weather conditions at the  
21 dealer's location;

22 (2) Ninety percent (90%) of the current net prices of all new and undamaged repair parts;

23 (3) Eighty-five percent (85%) of the current net price of all new and undamaged  
24 superseded repair parts;

25 (4) Eighty-five percent (85%) of the latest available published net price of all new and  
26 undamaged non-current repair parts;

27 (5) Either the fair market value, or assume the lease responsibilities of any specific data  
28 processing hardware that the supplier required the equipment dealer to acquire or purchase to  
29 satisfy the reasonable requirements of the dealer agreement, including computer systems  
30 equipment required and approved by the supplier to communicate with the supplier;

31 (6) Repurchase at seventy-five percent (75%) of the net cost specialized repair tools,  
32 signage, books, and supplies previously purchased pursuant to requirements of the supplier and  
33 held by the equipment dealer on the date of termination. Specialized repair tools must be unique  
34 to the supplier product line and must be complete and in usable condition; and

1 (7) Repurchase, at average, as-is value shown in current industry guides, dealer-owned  
2 rental fleet financed by the supplier or its finance subsidiary.

3 (c) The party that initiates the termination of the dealer agreement shall pay the cost of  
4 the return, handling, packing, and loading of this inventory.

5 (d) Payment to the dealer required under this section shall be made by the supplier not  
6 later than forty-five (45) days after receipt of the inventory by the supplier. A penalty shall be  
7 assessed in the amount of two percent (2%) per day of any outstanding balance over the required  
8 forty-five (45) days. The supplier shall be entitled to apply any payment required under this  
9 section to be made to the dealer, as a set-off against any amount owed by the dealer to the  
10 supplier.

11 **6-46-6. Exceptions to repurchase requirement.** -- The provisions of this chapter shall  
12 not require the repurchase from a dealer of:

13 (1) A repair part with a limited storage life or otherwise subject to physical or structural  
14 deterioration including, but not limited to, gaskets or batteries;

15 (2) A single repair part normally priced and sold in a set of two or more items;

16 (3) A repair part that, because of its condition, cannot be marketed as a new part without  
17 repackaging or reconditioning by the supplier or manufacturer;

18 (4) Any inventory that the dealer elects to retain;

19 (5) Any inventory ordered by the dealer after receipt of notice of termination of the  
20 dealer agreement by either the dealer or supplier;

21 (6) Any inventory that was acquired by the dealer from a source other than the supplier.

22 **6-46-7. Transfer of business.** -- (a) No supplier shall unreasonably withhold or delay  
23 consent to any transfer of the dealer's business or transfer of the stock or other interest in the  
24 dealership, whenever the dealer to be substituted meets the material and reasonable business and  
25 financial requirements of the supplier. Should a supplier determine that a proposed transferee  
26 does not meet these requirements, it shall give the dealer written notice stating the specific  
27 reasons for withholding consent. No prospective transferee may be disqualified to be a dealer  
28 because it is a publicly held corporation. A supplier shall have ninety (90) days to consider a  
29 dealer's request to make a transfer under this subsection.

30 (b) No supplier shall unreasonably withhold consent to the transfer of the dealer's  
31 business to a member or members of the family of the dealer or the principal owner of the  
32 dealership, if the family member meets the reasonable business ability, business experience, and  
33 character standards of the supplier, and if the transferee can demonstrate that the dealership will  
34 be adequately capitalized. Should a supplier determine that the designated family member does



1 not meet those requirements, the supplier shall provide the dealer with written notice of the  
2 supplier's objection and specific reasons for withholding its consent. As used in this subsection,  
3 "family" means and includes the spouse, parent, siblings, children, stepchildren, and lineal  
4 descendants, including those by adoption of the dealer or principal owner of the dealership.

5 (c) In any dispute as to whether a supplier has denied consent in violation of this section,  
6 the supplier shall have the burden of proving a substantial and reasonable justification for the  
7 denial of consent.

8 **6-46-11. Waiver of chapter void.** -- (a) The provisions of this chapter shall be deemed to  
9 be incorporated in every agreement and shall supersede and control all other provisions of the  
10 agreement. No supplier may require any dealer to waive compliance with any provision of this  
11 chapter. Any contract or agreement purporting to do so is void and unenforceable to the extent of  
12 the waiver or variance.

13 (b) Nothing in this chapter may be construed to limit or prohibit good-faith settlements  
14 of disputes voluntarily entered into between the parties.

15 SECTION 34. Sections 6-47-1 and 6-47-2 of the General Laws in Chapter 6-47 entitled  
16 "Internet Access and Advertising by Facsimile" are hereby amended to read as follows:

17 **6-47-1. Advertising by fax.** -- (a) No person or entity conducting business in the state of  
18 Rhode Island shall transmit by facsimile (fax), or cause to be faxed, documents consisting of  
19 unsolicited advertising material for the lease, sale, rental, gift offer, or other disposition of any  
20 realty, goods, services, or extension of credit unless:

21 (1) In the case of a fax, that person or entity must establish a toll-free telephone number  
22 that a recipient of the unsolicited faxed documents may call to notify the sender not to fax the  
23 recipient any further unsolicited documents.

24 (2) In the case of faxed material, the statement shall be in at least nine ~~(9) point~~ -point (9)  
25 type. The statement shall be the first text in the body of the message and shall be of the same size  
26 as the majority of the text of the message.

27 (b) Upon notification by a recipient of his or her request not to receive any further  
28 unsolicited fax, no person or entity conducting business in the state of Rhode Island shall fax or  
29 cause to be faxed any unsolicited documents to that recipient.

30 (c) As used in this chapter, "unsolicited fax" means any document or documents  
31 consisting of advertising material for the lease, sale, rental, gift offer, or other disposition of any  
32 realty, goods, services, or extension of credit that meet both of the following requirements:

33 (1) The documents are addressed to a recipient with whom the initiator does not have an  
34 existing business or personal relationship.

1 (2) The documents are not sent at the request of, or with the express consent of, the  
2 recipient.

3 (d) As used in this chapter, "fax" or "caused to be faxed" does not include or refer to the  
4 transmission of any documents by a telecommunications utility or ~~Internet~~ [internet](#) service  
5 provider to the extent that the telecommunications utility or ~~Internet~~ [internet](#) service provider  
6 merely carries that transmission over its network.

7 (e) The recipient of an unsolicited fax, transmitted in violation of subsection (b) of this  
8 section, may bring a civil action in superior court against the person or entity that transmitted the  
9 unsolicited fax or caused it to be transmitted in violation of subsection (b). Any transmission of  
10 an unsolicited fax in violation of subsection (b) shall be considered a violation of chapter ~~6-13.1~~  
11 [of this title](#), known as the Deceptive Trade Practices Act, and may subject the person or entity  
12 that transmitted, or caused to be transmitted, the unsolicited fax to prosecution by the attorney  
13 general pursuant to chapter ~~6-13.1~~ [of this title](#). In any such action by either the recipient of such  
14 unsolicited fax or the attorney general on behalf of the recipient or recipients, damages may be  
15 awarded in the amount of five hundred dollars (\$500) for each violation, not to exceed a total of  
16 fifty thousand dollars (\$50,000). The attorney general may, in such circumstances as he or she  
17 may deem appropriate, aggregate multiple claims against a person or entity alleged to have  
18 committed multiple violations of this section; and maintain a class action on behalf of all  
19 recipients of the unsolicited faxes. In any action brought under this section, the court may award,  
20 in addition to the relief provided in this section, reasonable attorneys' fees and costs.

21 **6-47-2. Unsolicited electronic mail.** -- (a) No person or entity may initiate the  
22 transmission of a commercial electronic mail message from a computer located in Rhode Island  
23 or to an electronic mail address that the sender knows, or has reason to know, is held by a Rhode  
24 Island resident unless that person or entity establishes a toll-free telephone number or valid sender  
25 operated return e-mail address that the recipient of the unsolicited documents may call or e-mail  
26 to notify the sender not to e-mail any further unsolicited documents.

27 (b) All unsolicited commercial electronic messages subject to this section shall include a  
28 statement informing the recipient of the toll-free telephone number that the recipient may call, or  
29 a valid return address to which the recipient may write or e-mail, as the case may be, notifying the  
30 sender not to e-mail the recipient any further unsolicited commercial electronic mail messages to  
31 the e-mail address or addresses specified by the recipient.

32 (c) Upon notification by a recipient of his or her request not to receive any further  
33 unsolicited commercial electronic mail messages, no person or entity subject to subsection (a)  
34 shall e-mail, or cause to be e-mailed, any unsolicited documents to that recipient.

1 (d) No person or entity may initiate the transmission of a commercial electronic mail  
2 message from a computer located in Rhode Island or to an electronic mail address that the sender  
3 knows, or has reason to know, is held by a Rhode Island resident, that fraudulently uses a third-  
4 party's internet domain name without permission of the third party, or otherwise fraudulently  
5 misrepresents any information in identifying the point of origin or the transmission path of a  
6 commercial electronic mail message.

7 (e) As used in this section, "commercial electronic messages" means any e-mailed  
8 document or documents consisting of commercial advertising material, the principal purpose of  
9 which is to promote the for-profit sale or lease of goods or services to the recipient and ~~which~~ that  
10 meet both of the following requirements:

11 (1) The documents are addressed to a recipient with whom the initiator does not have an  
12 existing business or personal relationship.

13 (2) The documents are not sent at the request of, or with the express consent of, the  
14 recipient.

15 (f) As used in this section, "e-mail" or "caused to be e-mailed" does not include or refer  
16 to the transmission of any documents by a telecommunications utility or ~~Internet~~ internet service  
17 provider to the extent that the telecommunications utility or ~~Internet~~ internet service provider  
18 merely carries that transmission over its network.

19 (g) For purposes of this section, a person or entity has reason to know that the intended  
20 recipient of a commercial electronic mail message is a Rhode Island resident if the recipient has  
21 requested of the sender not to receive any further unsolicited commercial electronic messages.

22 (h) Any person or entity who or that violates the provisions of this chapter shall be liable  
23 for damages to the recipient of an unsolicited commercial electronic mail message in the amount  
24 of one hundred dollars (\$100) for each such violation. In addition, the recipient may recover  
25 reasonable attorney's fees and costs.

26 SECTION 35. Sections 6-48-5 and 6-48-6 of the General Laws in Chapter 6-48 entitled  
27 "Consumer Empowerment and Identity Theft Prevention Act of 2006" are hereby amended to  
28 read as follows:

29 **6-48-5. Security freeze -- Timing, covered entities, cost.** -- (a)(1) A consumer may  
30 elect to place a "security freeze" on his or her credit report by making a request by certified mail  
31 to a consumer reporting agency at an address designated by the consumer reporting agency to  
32 receive such requests.

33 ~~(b)~~(2) A consumer reporting agency shall place a security freeze on a consumer's credit  
34 report no later than five (5) business days after receiving from the consumer:

1           ~~(1)~~(i) A written request as described in subsection (a);

2           ~~(2)~~(ii) Proper identification; and

3           ~~(3)~~(iii) Payment of a fee, if applicable.

4           ~~(e)~~(3) The consumer reporting agency shall send a written confirmation of the security  
5 freeze to the consumer within ten (10) business days of placing the freeze and at the same time  
6 shall provide the consumer with a unique personal identification number, password, or similar  
7 device to be used by the consumer when providing authorization for the release of his or her  
8 credit for a specific period of time, or when permanently removing the freeze.

9           ~~(d)~~(4) If the consumer wishes to allow his or her credit report to be accessed for a  
10 specific period of time while a freeze is in place, he or she shall contact the consumer reporting  
11 agency, using a point of contact designated by the consumer reporting agency, to request that the  
12 freeze be temporarily lifted, and provide the following:

13           ~~(4)~~(i) Proper identification;

14           ~~(2)~~(ii) The unique personal identification number or password provided by the consumer  
15 reporting agency pursuant to subsection ~~(e)~~ (a)(3) of this section;

16           ~~(3)~~(iii) The proper information regarding the time period for which the report shall be  
17 available to users of the credit report; and

18           ~~(4)~~(iv) A fee if applicable.

19           ~~(e)~~(5) A consumer reporting agency that receives a request from a consumer to  
20 temporarily lift a freeze on a credit report pursuant to subsection ~~(d)~~ (a)(4) of this section shall  
21 comply with the request no later than three (3) business days after receiving the request.

22           ~~(f)~~(6) A consumer reporting agency may develop procedures involving the use of  
23 telephone, fax, or, upon the consent of the consumer in the manner required by the Electronic  
24 Signatures in Global and National Commerce Act hereinafter referred to as ("E-Sign") for legally  
25 required notices, by the Internet, e-mail, or other electronic media to receive and process a request  
26 from a consumer to temporarily lift a freeze on a credit report pursuant to subsection ~~(d)~~ (a)(4) of  
27 this section in an expedited manner.

28           ~~(g)~~(7) A consumer reporting agency shall remove or temporarily lift a freeze placed on a  
29 consumer's credit report only in the following cases:

30           ~~(4)~~(i) Upon consumer request, pursuant to subsection ~~(d)~~ (a)(4) or ~~(j)~~ (a)(10) of this  
31 section; and

32           ~~(2)~~(ii) If the consumer's credit report was frozen due to a material misrepresentation of  
33 fact by the consumer. If a consumer reporting agency intends to remove a freeze upon a  
34 consumer's credit report pursuant to this paragraph, the consumer reporting agency shall notify

1 the consumer in writing prior to removing the freeze on the consumer's credit report.

2 ~~(h)~~(8) If a third-party requests access to a consumer credit report on which a security  
3 freeze is in effect~~;~~<sub>2</sub> and this request is in connection with an application for credit or any other  
4 use~~;~~<sub>2</sub> and the consumer does not allow his or her credit report to be accessed~~;~~<sub>2</sub> then the third-party  
5 may treat the application as incomplete.

6 ~~(i)~~(9) A security freeze shall remain in place until the consumer requests<sub>2</sub> using a point of  
7 contact designated by the consumer reporting agency, that the security freeze be removed. A  
8 consumer reporting agency shall remove a security freeze within three (3) business days of  
9 receiving a request for removal from the consumer~~;~~<sub>7</sub> who provides all of the following:

10 ~~(1)~~(i) Proper identification;

11 ~~(2)~~(ii) The unique personal identification number or password provided by the consumer  
12 reporting agency pursuant to subsection ~~(e)~~ (a)(3) of this section; and

13 ~~(3)~~(iii) A fee, if applicable.

14 ~~(j)~~(10) A consumer reporting agency shall require proper identification of the person  
15 making a request to place or remove a security freeze.

16 ~~(k)~~(11) A consumer reporting agency may not suggest or otherwise state or imply to a  
17 ~~third-party~~ third party that the consumer's security freeze reflects a negative credit score, history,  
18 report<sub>2</sub> or rating.

19 ~~(l)~~(12) The provisions of this section do not apply to the use of a consumer credit report  
20 by any of the following:

21 ~~(1)~~(i) A person, or the person's subsidiary, affiliate, agent, or assignee with which the  
22 consumer has<sub>2</sub> or~~;~~<sub>7</sub> prior to assignment, had an account, contract<sub>2</sub> or debtor-creditor relationship for  
23 the purposes of reviewing the account or collecting the financial obligation owing for the account,  
24 contract, or debt;

25 ~~(2)~~(ii) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to  
26 whom access has been granted under subsection ~~(d)~~ (a)(4) of this section for purposes of  
27 facilitating the extension of credit or other permissible use;

28 ~~(3)~~(iii) Any person acting pursuant to a court order, warrant, or subpoena;

29 ~~(4)~~(iv) A state or local agency ~~which~~ that administers a program for establishing and  
30 enforcing child support obligations;

31 ~~(5)~~(v) The department of health or its agents or assigns acting to investigate fraud;

32 ~~(6)~~(vi) The attorney general or its agents or assigns acting to investigate fraud;

33 ~~(7)~~(vii) The division of taxation or its agents or assigns acting to investigate or collect  
34 delinquent taxes or unpaid court orders or to fulfill any of its other statutory responsibilities;

1           ~~(8)~~(viii) The use of a credit report by a person for purposes of prescreening as defined by  
2 the federal Fair Credit Reporting Act ~~(15 U.S.C. section 1681 et. seq.)~~;

3           ~~(9)~~(ix) Any person or entity administering a credit file monitoring subscription service to  
4 which the consumer has subscribed;

5           ~~(10)~~(x) Any person or entity for the purpose of providing a consumer with a copy of his  
6 or her credit report upon the consumer's request; and

7           ~~(11)~~(xi) Any person or entity for use in setting or adjusting a rate, adjusting a claim, or  
8 underwriting for insurance purposes.

9           ~~(m)~~(13) A consumer may be charged a fee of no more than ten dollars (\$10.00) for any  
10 security freeze services, including, but not limited to, the placement, temporary lifting, and  
11 permanent removal of a security freeze. The consumer may not be charged for a one-time reissue  
12 of a new personal identification number; provided, however, the consumer may be charged not  
13 more than five dollars (\$5.00) for subsequent instances of loss of the personal identification  
14 number. However, a consumer reporting agency may not charge any fee to a victim of identity  
15 theft who has submitted a copy of an incident report from, or a complaint to, a law enforcement  
16 agency, or to a consumer who is of sixty-five (65) years of age or older.

17           (b) Entities not required to place a security freeze.

18           ~~(a)~~ The following entities are not required to place a security freeze on a credit report:

19           (1) A consumer reporting agency that acts only as a reseller of credit information by  
20 assembling and merging information contained in the database of another consumer reporting  
21 agency or multiple consumer credit reporting agencies, and does not maintain a permanent data  
22 base of credit information from which new consumer credit report are produced. However, a  
23 consumer reporting agency acting as a reseller shall honor any security freeze placed on a  
24 consumer credit report by another consumer reporting agency.

25           (2) A check services or fraud prevention services company, ~~which~~ that issues reports on  
26 incidents of fraud or authorizations for the purpose of approving or processing negotiable  
27 instruments, electronic funds transfers, or similar methods of payments.

28           (3) A deposit account information service company, ~~which~~ that issues reports regarding  
29 account closures due to fraud, substantial overdrafts, ATM abuse, or similar negative information  
30 regarding a consumer, to inquiring banks or other financial institutions for use only in reviewing a  
31 consumer request for a deposit account at the inquiring bank or financial institution.

32           (4) Any database or file ~~which~~ that consists of any information adverse to the interests of  
33 the consumer, including, but not limited to, criminal record information, personal loss history  
34 information, information used for fraud prevention or detection, tenant screening, and

1 employment screening.

2 **6-48-6. Notice of rights.** -- ~~At any~~ Any time that a consumer is required to receive a  
3 summary of rights required under section 609 of the federal Fair Credit Reporting Act, (15 U.S.C.  
4 section 1681 et. seq.) the following notice shall be included:

5 Consumers have the right to obtain a security freeze

6 You may obtain a security freeze on your credit report to protect your privacy and ensure  
7 that credit is not granted in your name without your knowledge. You have a right to place a  
8 "security freeze" on your credit report pursuant ~~to the R.I.G.L. to chapter 6-48~~ chapter 48 of title  
9 6 ~~to~~ of the Identity Theft Prevention Act of 2006.

10 The security freeze will prohibit a consumer reporting agency from releasing any  
11 information in your credit report without your express authorization or approval.

12 The security freeze is designed to prevent credit, loans, and services from being  
13 approved in your name without your consent. When you place a security freeze on your credit  
14 report, within five (5) business days you will be provided a personal identification number or  
15 password to use if you choose to remove the freeze on your credit report or to temporarily  
16 authorize the release of your credit report for a specific period of time after the freeze is in place.  
17 To provide that authorization, you must contact the consumer reporting agency and provide all of  
18 the following:

19 (1) The unique personal identification number or password provided by the consumer  
20 reporting agency.

21 (2) Proper identification to verify your identity.

22 (3) The proper information regarding the period of time for which the report shall be  
23 available to users of the credit report.

24 A consumer reporting agency that receives a request from a consumer to temporarily lift  
25 a freeze on a credit report shall comply with the request no later than three (3) business days after  
26 receiving the request.

27 A security freeze does not apply to circumstances where you have an existing account  
28 relationship and a copy of your report is requested by your existing creditor or its agents or  
29 affiliates for certain types of an account review, collection, fraud control, or similar activities.

30 If you are actively seeking a new credit, loan, utility, telephone, or insurance account,  
31 you should understand that the procedures involved in lifting a security freeze may slow your  
32 own applications for credit. You should plan ahead and lift a freeze -- either completely, if you  
33 are shopping around, or specifically for a certain creditor -- with enough advance notice before  
34 you apply for new credit for the lifting to take effect.



1           You have a right to bring a civil action against someone who violates your rights under  
2 the credit reporting laws. The action can be brought against a consumer reporting agency or a  
3 user of your credit report.

4           Unless you are sixty-five (65) years of age or older, or you are a victim of identity theft  
5 with an incident report or complaint from a law enforcement agency, a consumer reporting  
6 agency has the right to charge you up to ten dollars (\$10.00) to place a freeze on your credit  
7 report; up to ten dollars (\$10.00) to temporarily lift a freeze on your credit report, depending on  
8 the circumstances; and up to ten dollars (\$10.00) to remove a freeze from your credit report. If  
9 you are sixty-five (65) years of age or older or are a victim ~~of~~ ~~{of}~~ identity theft with a valid  
10 incident report or complaint, you may not be charged a fee by a consumer reporting agency for  
11 placing, temporarily lifting, or removing a freeze.

12           SECTION 36. Sections 6-49-2, 6-49-3, 6-49-4 and 6-49-5 of the General Laws in  
13 Chapter 6-49 entitled "Electronic Mail Fraud" are hereby amended to read as follows:

14           **6-49-2. Legislative findings.** -- It is hereby found and declared as follows:

15           Consumers are bombarded with electronic communications, often times in a fraudulent  
16 attempt to solicit personal and private information. In the interest of protecting the citizens of  
17 Rhode Island, it is imperative that the general assembly establish safeguards against such  
18 practices. Notwithstanding any provision of the general or public law, rule, or regulation, the  
19 general assembly shall establish regulations pertaining to the prevention of electronic mail fraud.

20           **6-49-3. Definitions.** -- For the purpose of this chapter, the following words and phrases  
21 shall have the following meanings:

22           (1) "Assist the transmission" means actions taken by a person to provide substantial  
23 assistance or support ~~which~~ ~~that~~ enables any person to formulate, compose, send, originate,  
24 initiate, or transmit a commercial electronic mail message or a commercial electronic text  
25 message when the person providing the assistance knows that the initiator of the commercial  
26 electronic mail message or the commercial electronic text message is engaged, or intends to  
27 engage, in any practice that violates the consumer protection act.

28           (2) "Commercial electronic mail message" means an electronic mail message sent for the  
29 purpose of promoting real property, goods, or services for sale or lease. It does not mean an  
30 electronic mail message to which an interactive computer service provider has attached an  
31 advertisement in exchange for free use of an electronic mail account; when the sender has agreed  
32 to such an arrangement.

33           (3) "Commercial electronic text message" means an electronic text message sent to  
34 promote real property, goods, or services for sale or lease.

1 (4) "Electronic mail address" means a destination, commonly expressed as a string of  
2 characters, to which electronic mail may be sent or delivered.

3 (5) "Electronic mail message" means an electronic message sent to an electronic mail  
4 address and a reference to an internet domain, whether or not displayed, to which an electronic  
5 mail message can be sent or delivered.

6 (6) "Electronic text message" means a text message sent to a cellular telephone or pager  
7 equipped with short message service or any similar capability, whether the message is initiated as  
8 a short message service message or as an electronic mail message.

9 (7) "Initiate the transmission" refers to the action by the original sender of an electronic  
10 mail message or an electronic text message, not to the action by any intervening, interactive  
11 computer service or wireless network that may handle or retransmit the message, unless such  
12 intervening, interactive computer service assists in the transmission of an electronic mail message  
13 when it knows that the person initiating the transmission is engaged, or intends to engage, in any  
14 act or practice that violates the consumer protection act.

15 (8) "Interactive computer service" means any information service, system, or access  
16 software provider that provides or enables computer access by multiple users to a computer  
17 server, including, specifically, a service or system that provides access to the internet and such  
18 systems operated or services offered by libraries or educational institutions.

19 (9) "Internet" means collectively the myriad of computer and telecommunications  
20 facilities, including equipment and operating software, that comprise the interconnected ~~world~~  
21 ~~wide~~ worldwide network of networks that employ the transmission control protocol/internet  
22 protocol, or any predecessor or successor protocols to such protocol, to communicate information  
23 of all kinds by wire or radio.

24 (10) "Internet domain name" refers to globally unique, hierarchical reference to an  
25 ~~Internet~~ internet host or service, assigned through centralized, internet naming authorities,  
26 comprising a series of character strings separated by periods, with the right-most string specifying  
27 the top of the hierarchy.

28 (11) "Person" means a person, corporation, partnership, or association.

29 (12) "Personally identifying information" means an individual's: ~~(a)~~ (i) social security  
30 number; ~~(b)~~ (ii) driver's license number; ~~(c)~~ (iii) bank account number; ~~(d)~~ (iv) credit or debit card  
31 number; ~~(e)~~ (v) personal identification number; ~~(f)~~ (vi) automated or electronic signature; ~~(g)~~ (vii)  
32 unique biometric data; ~~(h)~~ (viii) account passwords; or ~~(i)~~ (ix) any other piece of information that  
33 can be used to access an individual's financial accounts or to obtain goods or services.

34 (13) "Web page" means a location, with respect to the world wide web, that has a single,

1 uniform, resource locator, or other single location with respect to the ~~Internet~~ internet.

2 **6-49-4. Prohibited activity.** -- No person may solicit, request, or take any action to  
3 induce another person to provide personally identifying information by means of a web page,  
4 electronic mail message, or otherwise using the ~~Internet~~ internet in a manner as previously  
5 defined in ~~section § 6-49-3,~~ by representing oneself, either directly or by implication, to be a  
6 business or individual, without the authority or approval of such business or individual. No  
7 person may conspire with another person to engage in any act that violates the provisions of this  
8 chapter.

9 **6-49-5. Damages.** -- (a) Damages to a consumer resulting from the practices prohibited  
10 by this chapter are up to five hundred dollars (\$500) per violation, or actual damages, whichever  
11 is greater.

12 (b) A person engaged in the business of providing internet access service to the public;  
13 an owner of a web page; or trademark owner ~~who is~~ adversely affected by reason of a violation  
14 of this chapter, may bring an action against a person who violates this chapter to:

15 (1) Enjoin further violations of this chapter; and

16 (2) Recover the greater of actual damages or five thousand dollars (\$5,000) per violation  
17 of this chapter.

18 (c) The court may increase the damages up to three (3) times the damages allowed by  
19 this section if the defendant has engaged in a pattern and practice of violating this chapter. The  
20 court may award costs and reasonable attorneys' fees to a prevailing party.

21 SECTION 37. Sections 6-50-2, 6-50-4, 6-50-3, 6-50-5, 6-50-6, 6-50-7 and 6-50-9 of the  
22 General Laws in Chapter 6-50 entitled "The Rhode Island Fair Dealership Act" are hereby  
23 amended to read as follows:

24 **6-50-2. Definitions.** -- In this chapter:

25 (1) "Community of interest" means a continuing financial interest between the grantor  
26 and the grantee in either the operation of the dealership business or the marketing of such goods  
27 or services;

28 (2) "Dealer" means a person who is a grantee of a dealership situated in this state;

29 (3) "Dealership" means any of the following:

30 (i) A contract or agreement, either expressed or implied, whether oral or written,  
31 between two (2) or more persons, by which a person is granted the right to sell or distribute goods  
32 or services, or use a trade name, trademark, service mark, logotype, advertising, or other  
33 commercial symbol, in which there is a community of interest in the business of offering, selling,  
34 or distributing goods or services at wholesale, retail, by lease, agreement, or otherwise.

1 (4) "Good cause" means, for the purposes of this act, good cause for terminating,  
2 canceling, or nonrenewal and shall include, but not be limited to, failure by the dealer to comply  
3 with the reasonable requirements imposed by the grantor or any of the reasons listed in  
4 ~~subdivisions §§ 6-50-4(a)(1) — (a)(6)~~ 6-50-4(a)(1) - (a)(6) inclusive.

5 (5) "Grantor" means a person who grants a dealership;

6 (6) "Person" means a natural person, partnership, joint venture, corporation, or other  
7 entity.

8 **6-50-3. Purposes; rules of construction; variation by contract** **Purposes -- rules of**  
9 **construction -- variation by contract.** -- (a) This chapter shall be liberally construed and applied  
10 to promote its underlying remedial purposes and policies.

11 (b) The underlying purposes and policies of this chapter are:

12 (1) To promote the compelling interest of the public in fair business relations between  
13 dealers and grantors; and in the continuation of dealerships on a fair basis;

14 (2) To protect dealers against unfair treatment by grantors;

15 (3) To provide dealers with rights and remedies in addition to those existing by contract  
16 or common law;

17 (4) To govern dealerships, including any renewals or amendments, to the full extent  
18 consistent with the constitutions of this state and the United States.

19 (c) The effect of this chapter may not be varied by contract or agreement. Any contract  
20 or agreement purporting to do so is void and unenforceable to that extent only.

21 **6-50-4. Notice of termination or change in dealership.** -- (a) Notwithstanding the  
22 terms, provisions, or conditions of any agreement to the contrary, a grantor shall provide a dealer  
23 sixty (60) days prior, written notice of termination, cancellation, or nonrenewal. The notice shall  
24 state all the reasons for termination, cancellation, or nonrenewal and shall provide that the dealer  
25 has thirty (30) days in which to cure any claimed deficiency; provided that a dealer has a right to  
26 cure three (3) times in any twelve ~~(12)-month~~ -month (12) period during the period of the  
27 dealership agreement. The sixty ~~(60)-day~~ -day (60) notice provisions of this section shall not  
28 apply and the termination, cancellation, or nonrenewal may be made effective immediately upon  
29 written notice; if the reason for termination, cancellation, or nonrenewal is in the event the dealer:  
30 (1) ~~voluntarily~~ Voluntarily abandons the dealership relationship; (2) ~~is~~ Is convicted of a felony  
31 offense related to the business conducted pursuant to the dealership; (3) ~~engages~~ Engages in any  
32 substantial act ~~which~~ that tends to materially impair the goodwill of the grantor's trade name,  
33 trademark, service mark, logotype, or other commercial symbol; (4) ~~makes~~ Makes a material  
34 misrepresentation of fact to the grantor relating to the dealership; (5) ~~attempts~~ Attempts to

1 transfer the dealership (or a portion thereof) without authorization of the grantor; or (6) ~~is~~ is  
2 insolvent, files, or suffers to be filed against it, any voluntary or involuntary bankruptcy petition,  
3 or makes an assignment for the benefit of creditors or similar disposition of assets of the dealer  
4 business.

5 (b) If the reason for termination, cancellation, or nonrenewal is nonpayment of sums due  
6 under the dealership, the dealers shall be entitled to written notice of such default, and shall have  
7 ten (10) days in which to cure such default from the date of such notice. A dealer has the right to  
8 cure three (3) times in any ~~(12)-month~~ twelve-month (12) period during the period of the  
9 dealership agreement.

10 (c) If the reason for termination, cancellation, or nonrenewal is for violation of any law,  
11 regulation, or standard relating to public health or safety, the dealer shall be entitled to immediate,  
12 written notice and shall have twenty-four (24) hours to cure such violation.

13 **6-50-5. Repurchase of inventories.** -- If a dealership is terminated by the grantor, the  
14 grantor, at the option of the dealer, shall repurchase all inventories sold by the grantor to the  
15 dealer for resale under the dealership agreement at the fair, wholesale market value. This section  
16 applies only to merchandise with a name, trademark, label, or other mark on it which identifies  
17 the grantor.

18 **6-50-6. Application to arbitration agreements.** -- This chapter shall not apply to  
19 provisions for the binding arbitration of disputes contained in a dealership agreement, if the  
20 criteria for determining whether good cause existed for a termination, cancellation, or  
21 nonrenewal, and the relief provided is no less than that provided for in this chapter.

22 **6-50-7. Action for damages and injunctive relief.** -- If any grantor violates this chapter,  
23 a dealer may bring an action against such grantor in any court of competent jurisdiction for  
24 damages sustained by the dealer as a consequence of the grantor's violation, together with the  
25 actual costs of the action, including reasonable, actual attorneys' fees, ~~and the~~ The dealer also  
26 may be granted injunctive relief against unlawful termination, cancellation, or nonrenewal.

27 **6-50-9. Nonapplicability.** -- This chapter shall not apply to malt beverage dealerships;  
28 motor vehicle dealerships; insurance agency relationships; any relationship relating to the sale or  
29 administration of insurance or any similar contract with an entity organized under ~~Chapters~~  
30 chapters 19 or 20 of ~~Title~~ title 27; fuel distribution dealerships; and door-to-door sales  
31 dealerships.

32 SECTION 38. Sections 6-51-1, 6-51-2, 6-51-3 and 6-51-4 of the General Laws in  
33 Chapter 6-51 entitled "The Rhode Island Automobile Repossession Act" are hereby amended to  
34 read as follows:

1           **6-51-1. Legislative findings.** -- The general assembly finds and declares that:

2           (a) Rhode Island consumers who have purchased, through an extension of credit, or  
3 leased an automobile may fall behind on payments during difficult economic or emotional times  
4 and should be allowed to cure a default on the loan or lease within the time provided under this  
5 chapter.

6           (b) If the consumer is unable to cure such a default and the lessor or secured party  
7 repossesses the automobile, the repossession cannot take place on the property owned or rented  
8 by the consumer without ~~their~~ his or her consent except as provided by this chapter or by judicial  
9 action. In the event of repossession, a consumer is allowed to redeem the automobile within the  
10 time provided by this chapter.

11           (c) The lessor or secured party who holds title to the automobile shall be allowed to  
12 dispose of the automobile after repossession in order to recover the fair market value of the  
13 vehicle and expenses from the repossession according to the provisions of this chapter and any  
14 other applicable laws of this state.

15           **6-51-2. Definitions.** -- For purposes of this chapter:

16           (a) "Automobile" means any self-propelled, motored device in, upon, or by which any  
17 person is, or may be, transported or drawn upon a highway and is used or brought for use  
18 primarily for personal, family, or household purposes and shall include:

19           (1) An automobile as defined by ~~subsection~~ § 31-1-3(d);

20           (2) A motorcycle as defined by ~~subsection~~ § 31-1-3(i)(l);

21           (3) A suburban vehicle as defined by ~~subsection~~ § 31-1-3(u)(aa).

22           (b) "Automobile lease agreement" means the bargain, with respect to the lease, of the  
23 lessor and the consumer in fact as found in their language, ~~and the~~ The term includes a sublease  
24 agreement.

25           (c) "Automobile loan agreement" means a transaction that creates or provides for a  
26 security interest in an automobile in which: ~~(i)-an~~ (1) An individual incurs an obligation primarily  
27 for personal, family, or household purposes; ~~(ii)-a~~ (2) A security interest secures the obligation;  
28 and ~~(iii)-the~~ (3) The automobile is held or acquired primarily for personal, family, or household  
29 purposes.

30           (d) "Consumer" means any natural person: (1) ~~in~~ In an automobile lease agreement who  
31 acquires, applies for, or is offered the right to possession and use of goods under an automobile  
32 lease and includes a legal representative of, fiduciary for, or successor in interest to, an individual  
33 who is a lessee, but does not include a guarantor on a consumer lease; or (2) ~~in~~ In an automobile  
34 loan agreement with respect to an obligation secured by a security interest in the automobile: (i)

1 ~~owes~~ Owes payment or other performance of the obligation; (ii) ~~has~~ Has provided property other  
2 than the collateral to secure payment or other performance of the obligation; or (iii) ~~is~~ Is  
3 otherwise accountable in whole or part for payment or other performance of the obligation and  
4 the term does not include issuers or nominated persons under a letter of credit.

5 (e) "Lessor" means a person or business who transfers the right to possession and use of  
6 an automobile under a lease. Unless the context clearly indicates otherwise, the term includes a  
7 sublessor.

8 (f) "Secured party" means a person or business that holds a security interest arising under  
9 an automobile loan agreement.

10 **6-51-3. Default, notice, right to cure, reinstatement.** -- (a) The default provisions of a  
11 consumer automobile lease or automobile loan agreement are enforceable only to the extent that:

12 (1) The consumer does not make one or more payments required by the lease or loan  
13 agreement; or

14 (2) The lessor or secured party establishes that the prospect of payment, performance, or  
15 realization of the lessor's or secured party's interest in the automobile is significantly impaired.

16 (b) After a default under an automobile lease or loan agreement by the consumer, the  
17 lessor or secured party may not accelerate, take judicial action to collect, or repossess the  
18 automobile until the lessor or secured party gives the consumer the notice required by this section  
19 and the consumer does not cure the default in the time allowed under this section. A lessor or  
20 secured party may initiate a procedure to cure by sending to the consumer, at any time after the  
21 consumer has been in default for ten (10) days, a notice of the right to cure the default. Said  
22 notice shall be delivered via certified mail, return receipt requested, or via first-class mail, at the  
23 consumer's address last known to the lessor or secured party. The time when notice is given shall  
24 be deemed to be upon actual delivery of the notice to the consumer or three (3) business days  
25 following the mailing of the notice to the consumer at the consumer's address last known to the  
26 lessor or secured party.

27 (c) The notice shall be in writing and shall conspicuously state the rights of the consumer  
28 upon default in substantially the following form:

29 The heading shall read: "Rights of Defaulting consumer under Rhode Island General  
30 Laws." The body of the notice shall read: "You may cure your default in (describe automobile  
31 lease or loan agreement in a manner enabling the consumer to identify it) by paying to (name and  
32 address of lessor or secured party) (amount due) before (date ~~which~~ that is at least twenty-one  
33 (21) days after notice is delivered). If you pay this amount within the time allowed you are no  
34 longer in default and may continue with the automobile (lease or loan) agreement as though no



1 default has occurred.

2 If you do not cure your default by the date stated above, the lessor or secured party may  
3 sue you to obtain a judgment for the amount of the debt and may take possession of the  
4 automobile.

5 If the lessor or secured party takes possession of the automobile, you may get it back by  
6 paying the full amount of your debt plus any reasonable expenses incurred by the lessor or  
7 secured party if you make the required payment within twenty (20) days after the lessor or  
8 secured party takes possession.

9 If (the secured party) sells the vehicle repossessed from the consumer for an amount  
10 exceeding the amount outstanding on the automobile (loan) agreement including reasonable  
11 expenses related to judicial action and or repossession, the excess funds shall be returned  
12 promptly to the defaulting consumer.

13 You have the right to cure a default only once in any twelve ~~(12)-month~~ -month (12)  
14 period during the period of the automobile (lease or loan) agreement. If you default again within  
15 the next twelve (12) months in making your payments, we may exercise our rights without  
16 sending you another right to cure notice. If you have questions, telephone (name of lessor or  
17 secured party) at (phone number)."

18 (d) Within the period for cure stated in the notice under this section, the consumer may  
19 cure the default by tendering the amount of all unpaid sums due at the time of tender, including  
20 any unpaid delinquency or default charges, but without additional security deposit or prepayment  
21 of period payments not yet due. Cure restores the rights of the lessor or secured party and  
22 consumer under the automobile loan or lease agreement as if the default had not occurred.

23 (e) A consumer has the right to cure only once in any twelve ~~(12)-month~~ -month (12)  
24 period during the period of the automobile lease or loan agreement.

25 **6-51-4. Repossession of automobile as a result of default under a loan or lease**  
26 **agreement.** -- (a) Subject to the provisions of ~~section § 6-50-3, of this chapter,~~ a lessor or secured  
27 party under a consumer automobile lease or loan agreement may take possession of the  
28 automobile. In taking possession, the lessor or secured party under a consumer automobile lease  
29 or loan agreement may proceed without prior hearing pursuant to ~~section § 6-50-3, and~~ only if the  
30 possession can be obtained without a breach of peace and, unless the consumer consents to an  
31 entry, at the time of such entry, without entry upon property owned by, or rented to the consumer,  
32 except as provided for in chapter ~~39-12.1~~ of title 39.

33 (b) Any lessor or secured party obtaining possession of an automobile under the  
34 provisions of this chapter shall notify the police department of the city or town in which such

1 possession occurred pursuant to ~~section §~~ 6A-9-609(B)(b)(2).

2 (c) The consumer under an automobile lease or loan agreement may redeem the  
3 automobile from the lessor or secured party and have the automobile lease or loan agreement  
4 reinstated at any time within twenty (20) days of the lessor's or secured party's taking possession  
5 of the automobile, or thereafter until the lessor or secured party has either disposed of the  
6 automobile; entered into a contract for its disposition; or gained the right to retain the  
7 automobile.

8 (d) The lessor or secured party may, after gaining possession of the automobile, sell or  
9 otherwise dispose of the automobile after the ~~twenty (20) day~~ twenty-day (20) redemption period  
10 provided for in subsection (c) of this section.

11 SECTION 39. Sections 6-52-1, 6-52-2, 6-52-3 and 6-52-4 of the General Laws in  
12 Chapter 6-52 entitled "Safe Destruction of Documents Containing Personal Information" are  
13 hereby amended to read as follows:

14 **6-52-1. Definitions.** -- As used in this chapter:

15 (1) "Business" means a sole proprietorship, partnership, corporation, association, limited  
16 liability company, or other group, however organized and whether or not organized to operate at a  
17 profit, including a financial institution organized, chartered, or holding a license or authorization  
18 certificate under the laws of this state or any other state, or the parent, affiliate, or subsidiary of a  
19 financial institution. This term includes any entity that destroys records, including, but not limited  
20 to, the state, a state agency, or any political subdivision of the state.

21 (2) "Customer" means an individual who provides personal information to a business for  
22 the purpose of purchasing or leasing a product or obtaining a service from the business or whose  
23 personal information has been provided to another business from that business.

24 (3) "Personal information" means the following information that identifies, relates to,  
25 describes, or is capable of being associated with a particular individual: his or her signature;  
26 social security number; physical characteristics or description; passport number; driver's license  
27 or state identification card number; insurance policy number; bank account number; credit card  
28 number; debit card number; any other financial information or confidential health care  
29 information, including all information relating to a patient's health care history; diagnosis  
30 condition; treatment; or evaluation obtained from a health care provider who has treated the  
31 patient which explicitly or by implication identifies a particular patient.

32 (4) "Record" means any material, regardless of the physical form, on which personal  
33 information is recorded or preserved by any means, including written or spoken words,  
34 graphically depicted, printed, or electromagnetically transmitted. Record does not include

1 publicly available directories containing information an individual has voluntarily consented to  
2 have publicly disseminated or listed, such as name, address, or telephone number.

3 **6-52-2. Safe destruction of documents.** -- A business shall take reasonable steps to  
4 destroy or arrange for the destruction of a customer's personal information within its custody and  
5 control that is no longer to be retained by the business by shredding, erasing, or otherwise  
6 destroying and/or modifying the personal information in those records to make it unreadable or  
7 indecipherable through any means for the purpose of:

8 (1) Ensuring the security and confidentiality of customer personal information;

9 (2) Protecting against any reasonably foreseeable threats or hazards to the security or  
10 integrity of customer personal information; and

11 (3) Protecting against unauthorized access to, or use of, customer personal information  
12 that could result in substantial harm or inconvenience to any customer.

13 **6-52-3. Violations.** -- A business that does not take the reasonable steps when disposing  
14 of a customer's personal information set out in ~~section~~ § 6-52-2 is in violation of this chapter. For  
15 the purposes of this chapter, each record unreasonably disposed of constitutes an individual  
16 violation of this chapter.

17 (1) A customer who incurs actual damages due to a violation of this chapter may bring a  
18 civil action in superior court.

19 (2) Whenever the attorney general has reason to believe that a violation of this chapter  
20 has occurred and that proceedings would be in the public interest, the attorney general may bring  
21 an action in the name of the state against the business in violation. The business ~~who~~ that violates  
22 this chapter may be liable in a suit by the attorney general for actual damages of the aggrieved  
23 customer and a civil penalty of five hundred dollars (\$500) for each violation, not to exceed fifty  
24 thousand dollars (\$50,000).

25 **6-52-4. Exemptions.** -- This chapter does not apply to any of the following:

26 (1) Any bank, credit union, or financial institution as defined under the federal Gramm  
27 Leach Bliley Law that is subject to the regulation of the Office of the Comptroller of Currency;  
28 the Federal Reserve;  
29 the National Credit Union Administration;  
30 the Securities and Exchange Commission;  
31 the Federal Deposit Insurance Corporation;  
32 the Federal Trade Commission;  
33 the Office of Thrift Supervision; and the U.S. Department of the Treasury; or the Department of  
34 Business Regulation; and is subject to the privacy and security provisions of the Gramm Leach  
Bliley Act, 15 U.S.C. section 6801 et seq;

(2) Any health insurer, ~~non-profit~~ non-profit hospital, or medical service corporation, as  
defined in ~~chapters 27-19 and 27-20;~~ chapters 19 and 20 of title 27, and any health care facility

1 that is subject to the standards for privacy of individually identifiable health information and the  
2 security standards for the protection of electronic health information of the Health Insurance  
3 Portability and Accountability Act of 1996;

4 (3) Any consumer report agency that is subject to, and in compliance with, the Federal  
5 Credit Reporting Act. 15 U.S. C. section 1681 et seq., as amended; ~~or~~

6 (4) Any business that enters into a contractual agreement with another business to  
7 complete the destruction of a customer's personal information and has physical evidence of that  
8 contractual agreement.

9 SECTION 40. Sections 6-53-1, 6-53-2, 6-53-3, 6-53-4, 6-53-5, 6-53-6, 6-53-7, 6-53-8, 6-  
10 53-9, 6-53-10, 6-53-11, 6-53-12 and 6-53-13 of the General Laws in Chapter 6-53 entitled  
11 "Purchase and Sale of Tools and Electronics" are hereby amended to read as follows:

12 **6-53-1. License required -- "Person" defined. --** (a) No person, including a  
13 pawnbroker, consignment shop, salvage yard operator, or ~~second-hand~~ second-hand dealer as  
14 defined in ~~section~~ § 5-21-1, shall engage in the business of buying or receiving for the purpose of  
15 selling tools or electronic equipment, whether or not readily identifiable with a serial number, to  
16 include, but not limited to, generators, powers tools, video game consoles, MP3 players,  
17 computers, audio and video equipment, referred to in this chapter as "tools and electronics or  
18 trade-ins and store credits of the aforementioned," from the general public for the purpose of  
19 reselling the tools and electronics in any condition without first obtaining a license from the  
20 attorney general of the State of Rhode Island ("attorney general"). The attorney general shall not  
21 issue any license to a person who has not registered a permanent place of business within the state  
22 for the purchase or sale of tools and electronics. The criteria for determining a person's permanent  
23 place of business shall be formulated by the attorney general within ninety (90) days after  
24 passage.

25 (b) The word "person," when used in this chapter, shall include individuals, partnerships,  
26 associations, and corporations.

27 **6-53-2. Application for license -- Annual fee -- Attorney general to promulgate rules**  
28 **and regulations. [Effective December 31, 2013.] --** (a) Application for the license shall be in  
29 writing, under oath, and in the form prescribed by the attorney general and shall contain the name  
30 and ~~the~~ address (both of the residence and place of business) of the applicant, and if the applicant  
31 is a partnership or association, of every member; ~~and~~ and if a corporation, of each officer and director  
32 and of the principal owner or owners of the issued and outstanding capital stock; also the city or  
33 town with the street and number where the business is to be conducted, and any further  
34 information that the attorney general may require. After receipt of an application for a license, the

1 attorney general shall conduct an investigation to determine whether the facts presented in the  
2 application are true. The attorney general may also request a record search and a report from the  
3 ~~national crime and information center~~ [National Crime and Information Center](#) (NCIC) of the  
4 ~~federal bureau of investigation~~ [Federal Bureau of Investigation](#). If the application discloses that  
5 the applicant has a disqualifying criminal record<sub>;</sub> or if the investigation indicates that any of the  
6 facts presented in the application are not true<sub>;</sub> or if the records of the department of the attorney  
7 general indicate criminal activity on the part of the person signing the application and any other  
8 persons named in the application<sub>;</sub> or if the NCIC report indicates an outstanding warrant for the  
9 person signing the application and any other persons named in the application<sub>;</sub> then the attorney  
10 general may initiate a nationwide criminal records check that shall include fingerprints submitted  
11 to the ~~federal bureau of investigation~~ [Federal Bureau of Investigation](#) regarding the person  
12 signing the application and any other persons named in the application. Upon the annual renewal  
13 of a license<sub>,</sub> or the opening of a new branch designated in the license, the attorney general may  
14 initiate a nationwide criminal records check that shall include fingerprints submitted to the ~~federal~~  
15 ~~bureau of investigation~~ [Federal Bureau of Investigation](#) regarding the licensee and any other  
16 persons named in the license. The individual who is subject to the national records check shall be  
17 responsible for the cost of conducting such check.

18 (b) The applicant<sub>,</sub> at the time of making his or her initial application only<sub>,</sub> shall pay to  
19 the attorney general the sum of fifty dollars (\$50.00) as a fee for investigating the application and  
20 the additional sum of fifty dollars (\$50.00) shall be paid annually. The licensee shall pay an  
21 additional fifty dollars (\$50.00) annually for each branch designated in the license. Licenses shall  
22 not be assignable or transferable to any other person or entity. If the applicant is a holder of a  
23 precious metals and dealers license<sub>,</sub> the fees as required in this section shall be waived.

24 **6-53-3. Identification and authority of seller.** -- (a) Every person required to be  
25 licensed under this chapter shall require positive proof of identification with photograph, date of  
26 birth<sub>,</sub> and current address of every seller from whom tools and electronics ~~is~~ [are](#) to be purchased  
27 and shall require the seller to sign a statement<sub>,</sub> on a form to be approved by the attorney general<sub>,</sub>  
28 stating that the seller is the legal owner of the property or is the agent of the owner authorized to  
29 sell the property<sub>;</sub> and when and where or in what manner the property was obtained.

30 (b) Every person required to be licensed under this chapter shall, before purchasing any  
31 tool or electronic device, require the seller, if a minor, to be accompanied by the parent or legal  
32 guardian of the minor.

33 **6-53-4. Record of transactions required -- Reports to police. [Effective December 31,**  
34 **2013.]** -- (a) Every person licensed under this chapter shall keep a copy of the report form

1 obtained from or under the direction of the attorney general, containing a comprehensive record  
2 of all transactions concerning tools and electronics. The comprehensive record shall be hand  
3 printed legibly or typed. The record shall include the name, address, telephone number, and date  
4 of birth of the seller; a complete and accurate description of the property purchased or sold,  
5 including any serial numbers or other identifying marks or symbols; and the date and hour of the  
6 transaction.

7 (b) All persons licensed under this chapter shall deliver or send electronically to the chief  
8 of police of the city or town in which the business is located, and electronically submit to the  
9 attorney general, in a manner specified by the attorney general, copies of all report forms from the  
10 preceding seven ~~(7) day~~ -day (7) period.

11 (c) Every person licensed under this chapter shall retain a copy of the report for a period  
12 of one year from the date of the sale stated on the form.

13 **6-53-5. Fourteen day holding period -- Recovery of stolen property -- Return to**

14 **rightful owner. [Effective December 31, 2013.] --** (a) All persons licensed under this chapter

15 shall retain in their possession, in an unaltered condition, for a period of fourteen (14) days, all  
16 tools and electronics, including items ~~which~~ that do not contain serial numbers or other  
17 identifying marks. The fourteen ~~(14) day~~ -day (14) holding period shall commence with the date  
18 the report of its acquisition was delivered to or received by the chief of police or the attorney  
19 general, whichever is later. The records so received by the chief of police or the attorney general  
20 shall be available for inspection only by law enforcement officers for law enforcement purposes.

21 If the chief of police has probable cause to believe that tools and electronics have been stolen, he  
22 or she may give notice, in writing, to the person licensed, to retain the tools, electronics, or article

23 for an additional period of fifteen (15) days, and the person shall retain the property for this  
24 additional fifteen ~~(15) day~~ -day (15) period unless the notice is recalled, in writing, within the

25 fifteen ~~(15) day~~ -day (15) period; ~~within~~ Within the fifteen ~~(15) day~~ -day (15) period, the chief of  
26 police, or his or her designee, shall designate, in writing, an officer to secure the property alleged

27 to be stolen and the persons in possession of the property shall deliver the property to the officer  
28 upon display of the officer's written designation by the chief of police or his or her designee.

29 Upon receipt of the property from the officer, the clerk or person in charge of the storage of  
30 alleged stolen property for a police department shall enter into a book a description of every

31 article of property alleged to be stolen ~~which~~ that was brought to the police department and shall  
32 attach a number to each article. The clerk or person in charge of the storage of alleged stolen

33 property shall deliver the property to the owner of the property upon satisfactory proof of  
34 ownership, without any cost to the owner, provided that the following steps are followed:

1 (1) A complete photographic record of the property is made;  
2 (2) A signed declaration of ownership under penalty of perjury is obtained from the  
3 person to whom the property is delivered;  
4 (3) The person from whom the custody of the property was taken is served with written  
5 notice of the claim of ownership and is given ten (10) days from the mailing of the notice to file a  
6 petition in district court objecting to the delivery of the property to the person claiming  
7 ownership. If a petition is filed in a timely manner, the district court shall, at a hearing, determine  
8 by a preponderance of the evidence whether the property was stolen and ~~that~~ if the person  
9 claiming ownership of the property is the true owner. The decision of the district court may only  
10 be appealable by writ of certiorari to the supreme court.

11 (b) The clerk or person in charge of the storage of alleged stolen property shall not be  
12 liable for damages for any official act performed in good faith in the course of carrying out the  
13 provisions of this section. The photographic record of the alleged stolen property shall be allowed  
14 to be introduced as evidence in any court of this state in place of the actual, alleged stolen  
15 property; provided that the clerk in charge of the storage of the alleged, stolen property shall take  
16 photographs of the property; and those photographs shall be tagged and marked and remain in  
17 his/her possession or control.

18 **6-53-6. Persons injured by violations of chapter -- Damages and costs.** -- Any person  
19 who has been damaged or injured by the failure of a person required to be licensed under this  
20 chapter to comply with the provisions of this chapter; may recover the actual damages sustained.  
21 The court, in its discretion, may also award punitive damages and/or the costs of suit and  
22 reasonable attorneys' fees to a prevailing plaintiff.

23 **6-53-7. Penalties.** -- (a) Every person who shall violate the provisions of this chapter  
24 shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars (\$500) or  
25 imprisoned for not more than one year, or both.

26 (b) If the value of the property involved in a transaction ~~which~~ that is in violation of this  
27 chapter exceeds five hundred dollars (\$500), a person convicted of a violation shall be fined not  
28 more than two thousand dollars (\$2,000) or imprisoned for not more than three (3) years, or both.

29 (c) The attorney general shall have the authority to suspend the license of any person  
30 required to be licensed under this chapter as a result of violations of this chapter or attorney  
31 general regulations leading to penalties under this chapter.

32 **6-53-8. Rules and regulations.** -- The attorney general is authorized to promulgate,  
33 adopt, and enforce any and all rules and regulations deemed necessary to carry out the duties and  
34 responsibilities of this chapter. Rules and regulations shall be adopted in accordance with the



1 Administrative Procedures Act, ~~chapter 35 of title 42.~~ [§ 42-35-1 et seq.](#)

2 **6-53-9. Refusal to issue license.** -- The attorney general shall refuse to issue a license  
3 when the attorney general has found that the application for the license contains a false  
4 representation of a material fact; when investigation reveals that the person applying for the  
5 license has previously been guilty of a violation of this chapter or has been a partner of a  
6 partnership, member of an association, or an officer or director of a corporation ~~which~~ that has  
7 previously been guilty of a violation of this chapter; or has a disqualifying criminal record as  
8 defined in ~~section~~ [§ 6-53-13](#). The attorney general may, in his or her discretion, issue a license if  
9 the disqualifying criminal record is more than ten (10) years old.

10 **6-53-10. Suspension, revocation, and nonrenewal of license.** -- The attorney general,  
11 upon his or her own motion or upon receipt of a signed, written complaint ~~which~~ that alleges  
12 violations of this chapter or of the rules and regulations promulgated pursuant to this chapter,  
13 may, after a hearing, suspend, revoke, or refuse to renew any license issued pursuant to this  
14 chapter.

15 **6-53-11. Hearings.** -- Hearings conducted pursuant to this chapter shall be in accordance  
16 with the Administrative Procedures Act, ~~chapter 35 of title 42.~~ [§ 42-35-1 et seq.](#)

17 **6-53-12. Appeals.** -- Appeals from a decision by the attorney general shall be made to the  
18 sixth division district court in Providence. Appeals from the decision of the sixth division district  
19 court shall be to the supreme court in accordance with the Administrative Procedures Act, ~~chapter~~  
20 ~~35 of title 42~~ [§ 42-35-1 et seq.](#), as amended.

21 **6-53-13. Disqualifying criminal records -- Employees or agents of licensee.** -- A  
22 licensee convicted in a court of this state, a court of another state, or in a federal court, of a felony  
23 charge of forgery; embezzlement; obtaining money under false pretenses; bribery; larceny;  
24 extortion; conspiracy to defraud; receiving stolen goods; burglary; breaking and entering; or  
25 any similar offense or offenses; or tax evasion associated with the conduct of business under a  
26 license issued pursuant to this chapter; shall forfeit his or her license. Prior to the forfeiture of the  
27 license, the licensee may request a hearing on the forfeiture. The attorney general, when so  
28 requested, shall hold a hearing. No licensee shall employ or engage any person as an employee or  
29 agent while engaging in the business of trading in tools and electronics who has been convicted of  
30 any of the offenses as they are described in this section and which shall be deemed to be a  
31 disqualifying criminal record.

32 SECTION 41. Section 6-54-9 of the General Laws in Chapter 6-54 entitled "General  
33 Regulatory Provisions The Rhode Island Dealership Preservation And Protection Act" is hereby  
34 amended to read as follows:

1           **6-54-9. Nonapplicability.** -- This chapter shall not apply to malt beverage dealerships;  
2 motor vehicle dealerships; insurance agency relationships; any relationship relating to the sale or  
3 administration of insurance or any similar contract with an entity organized under chapters 19 or  
4 20 of title 27; fuel distribution dealerships; door-to-door sales; dealerships; and franchises,  
5 franchisors, franchisees, dealers and dealerships that are subject to, and comply with, or are  
6 exempt from, the provisions of ~~chapter 28~~ [chapter 28.1](#) of title 19, known as the "Rhode Island  
7 Franchise Investment Act."

8           SECTION 42. Sections 6A-1-204 and 6A-1-301 of the General Laws in Chapter 6A-1  
9 entitled "General Provisions" are hereby amended to read as follows:

10           **6A-1-204. Value.** -- Except as otherwise provided in ~~Chapters~~ [chapters](#) 3, 4, and [5 of this](#)  
11 [title](#), a person gives value for rights if the person acquires them:

12           (1) In return for a binding commitment to extend credit or for the extension of  
13 immediately available credit, whether or not drawn upon and whether or not a charge-back is  
14 provided for in the event of difficulties in collection;

15           (2) As security for, or in total or partial satisfaction of, a preexisting claim;

16           (3) By accepting delivery under a preexisting contract for purchase; or

17           (4) In return for any consideration sufficient to support a simple contract.

18           **6A-1-301. Territorial applicability -- Parties' power to choose applicable law.** -- (a)  
19 Except as otherwise provided in this section, when a transaction bears a reasonable relation to this  
20 state and also to another state or nation, the parties may agree that the law either of this state or of  
21 such other state or nation shall govern their rights and duties.

22           (b) In the absence of an agreement effective under subsection (a), and except as provided  
23 in subsection (c), the Uniform Commercial Code applies to transactions bearing an appropriate  
24 relation to this state.

25           (c) If one of the following provisions of title 6A specifies the applicable law, that  
26 provision governs and a contrary agreement is effective only to the extent permitted by the law so  
27 specified:

28           (1) Section 6A-2-402;

29           (2) Sections 6A-2.1-105 and ~~2.1-106~~; [6A-2.1-106](#);

30           (3) Section 6A-4-102;

31           (4) Section 6A-4.1-507;

32           (5) Section 6A-5-116;

33           (6) [RESERVED]

34           (7) Section 6A-8-110;

1 (8) Sections 6A-9-301 through ~~9-307~~ [6A-9-307](#).

2 SECTION 43. Sections 6A-2-310, 6A-2-321, 6A-2-324, 6A-2-503, 6A-2-509, 6A-2-515,  
3 6A-2-616 and 6A-2-711 of the General Laws in Chapter 6A-2 entitled "Sales" are hereby  
4 amended to read as follows:

5 **6A-2-310. Open time for payment or running of credit -- Authority to ship under**  
6 **reservation. --** Unless otherwise agreed<sup>;</sup>:

7 (a) Payment is due at the time and place at which the buyer is to receive the goods even  
8 though the place of shipment is the place of delivery; and

9 (b) If the seller is authorized to send the goods he or she may ship them under  
10 reservation, and may tender the documents of title, but the buyer may inspect the goods after their  
11 arrival before payment is due unless such inspection is inconsistent with the terms of the contract  
12 (section 6A-2-513); and

13 (c) If delivery is authorized and made by way of documents of title otherwise than by  
14 subsection (b) then payment is due regardless of where the goods are to be received: (i) at the  
15 time and place at which the buyer is to receive delivery of the tangible documents; or (ii) at the  
16 time the buyer is to receive the electronic documents and at the seller's place of business or if  
17 none, the seller's residence; and

18 (d) Where the seller is required or authorized to ship the goods on credit the credit period  
19 runs from the time of shipment, but postdating the invoice or delaying its dispatch will  
20 correspondingly delay the starting of the credit period.

21 **6A-2-321. C.I.F. or C. & F. -- "Net landed weights" -- "Payment on arrival" --**  
22 **Warranty of condition on arrival. --** Under a contract containing a term C.I.F. or C. & F.<sup>;</sup>:

23 (1) Where the price is based on or is to be adjusted according to "net landed weights",  
24 "delivered weights", "out turn" quantity or quality or the like, unless otherwise agreed, the seller  
25 must reasonably estimate the price. The payment due on tender of the documents called for by the  
26 contract is the amount so estimated, but after final adjustment of the price a settlement must be  
27 made with commercial promptness.

28 (2) An agreement described in subsection (1) or any warranty of quality or condition of  
29 the goods on arrival places upon the seller the risk of ordinary deterioration, shrinkage, and the  
30 like in transportation, but has no effect on the place or time of identification to the contract for  
31 sale or delivery or on the passing of the risk of loss.

32 (3) Unless otherwise agreed, where the contract provides for payment on or after arrival  
33 of the goods the seller must, before payment allow such preliminary inspection as is feasible; but  
34 if the goods are lost, delivery of the documents and payment are due when the goods should have

1 arrived.

2 **6A-2-324. "No arrival, no sale" term.** -- Under a term "no arrival, no sale" or terms of  
3 like meaning, unless otherwise agreed.;

4 (a) The seller must properly ship conforming goods and if they arrive by any means he  
5 or she must tender them on arrival, but he or she assumes no obligation that the goods will arrive  
6 unless he or she has caused the nonarrival; and

7 (b) Where without fault of the seller the goods are in part lost or have so deteriorated as  
8 no longer to conform to the contract or arrive after the contract time, the buyer may proceed as if  
9 there had been casualty to identified goods (~~section~~ § 6A-2-613).

10 **6A-2-503. Manner of seller's tender of delivery.** -- (1) Tender of delivery requires that  
11 the seller put and hold conforming goods at the buyer's disposition and give the buyer any  
12 notification reasonably necessary to enable him or her to take delivery. The manner, time, and  
13 place for tender are determined by the agreement and this chapter, and, in particular.;

14 (a) Tender must be at a reasonable hour, and if it is of goods they must be kept available  
15 for the period reasonably necessary to enable the buyer to take possession; but

16 (b) Unless otherwise agreed the buyer must furnish facilities reasonably suited to the  
17 receipt of the goods.

18 (2) Where the case is within the next section respecting shipment, tender requires that the  
19 seller comply with its provisions.

20 (3) Where the seller is required to deliver at a particular destination tender requires that  
21 he or she comply with subsection (1), and also in any appropriate case tender documents as  
22 described in subsections (4) and (5) of this section.

23 (4) Where goods are in the possession of a bailee and are to be delivered without being  
24 moved,

25 (a) Tender requires that the seller either tender a negotiable document of title covering  
26 such goods or procure acknowledgment by the bailee of the buyer's right to possession of the  
27 goods; but

28 (b) Tender to the buyer of a nonnegotiable document of title or of a record directing the  
29 bailee to deliver is sufficient tender unless the buyer seasonably objects, and except as otherwise  
30 provided in chapter 9 of this title receipt by the bailee of notification of the buyer's rights fixes  
31 those rights as against the bailee and all third persons; but risk of loss of the goods and any failure  
32 by the bailee to honor the nonnegotiable document of title or to obey the direction remains on the  
33 seller until the buyer has had a reasonable time to present the document or direction, and a refusal  
34 by the bailee to honor the document or to obey the direction defeats the tender.

1 (5) Where the contract requires the seller to deliver documents,  
2 (a) He or she must tender all such documents in correct form, except as provided in this  
3 chapter with respect to bills of lading in a set (~~section~~ § 6A-2-323(2)); and

4 (b) Tender through customary banking channels is sufficient and dishonor of a draft  
5 accompanying or associated with the documents constitutes nonacceptance or rejection.

6 **6A-2-509. Risk of loss in the absence of breach.** -- (1) Where the contract requires or  
7 authorizes the seller to ship the goods by carrier;

8 (a) If it does not require him or her to deliver them at a particular destination, the risk of  
9 loss passes to the buyer when the goods are duly delivered to the carrier even though the  
10 shipment is under reservation (~~section~~ § 6A-2-505); but

11 (b) If it does require him or her to deliver them at a particular destination and the goods  
12 are there duly tendered while in the possession of the carrier, the risk of loss passes to the buyer  
13 when the goods are there duly so tendered as to enable the buyer to take delivery.

14 (2) Where the goods are held by a bailee to be delivered without being moved, the risk of  
15 loss passes to the buyer:

16 (a) On his or her receipt of a negotiable document of title covering the goods; or

17 (b) On acknowledgment by the bailee of the buyer's right to possession of the goods; or

18 (c) After his or her receipt of possession or control of a nonnegotiable document of title  
19 or other direction to deliver in a record, as provided in ~~section~~ § 6A-2-503(4)(b).

20 (3) In any case not within subsection (1) or (2), the risk of loss passes to the buyer on his  
21 or her receipt of the goods if the seller is a merchant; otherwise the risk passes to the buyer on  
22 tender of delivery.

23 (4) The provisions of this section are subject to contrary agreement of the parties and to  
24 the provisions of this chapter on sale on approval (~~section~~ § 6A-2-327) and on effect of breach on  
25 risk of loss (~~section~~ § 6A-2-510).

26 **6A-2-515. Preserving evidence of goods in dispute.** -- In furtherance of the adjustment  
27 of any claim or dispute;

28 (a) Either party on reasonable notification to the other and for the purpose of ascertaining  
29 the facts and preserving evidence has the right to inspect, test, and sample the goods including  
30 such of them as may be in the possession or control of the other; and

31 (b) The parties may agree to a third party inspection or survey to determine the  
32 conformity or condition of the goods, and may agree that the findings shall be binding upon them  
33 in any subsequent litigation or adjustment.

34 **6A-2-616. Procedure on notice claiming excuse.** -- (1) Where the buyer receives

1 notification of a material or indefinite delay or an allocation justified under the preceding section  
2 he or she may by written notification to the seller as to any delivery concerned, and where the  
3 prospective deficiency substantially impairs the value of the whole contract under the provisions  
4 of this chapter relating to breach of installment contracts (~~section~~ § 6A-2-612), then also as to the  
5 whole;

6 (a) Terminate and thereby discharge any unexecuted portion of the contract; or

7 (b) Modify the contract by agreeing to take his or her available quota in substitution.

8 (2) If after receipt of such notification from the seller the buyer fails so to modify the  
9 contract within a reasonable time not exceeding thirty (30) days the contract lapses with respect  
10 to any deliveries affected.

11 (3) The provisions of this section may not be negated by agreement except in so far as  
12 the seller has assumed a greater obligation under the preceding section.

13 **6A-2-711. Buyer's remedies in general -- Buyer's security interest in rejected goods.**

14 == (1) Where the seller fails to make delivery or repudiates or the buyer rightfully rejects or  
15 ~~justifiably~~ justifiably revokes acceptance then with respect to any goods involved, and with  
16 respect to the whole if the breach goes to the whole contract (~~section~~ § 6A-2-612), the buyer may  
17 cancel and whether or not he or she has done so may in addition to recovering so much of the  
18 price as has been paid;

19 (a) "Cover" and have damages under the next section as to all the goods affected whether  
20 or not they have been identified to the contract; or

21 (b) Recover damages for nondelivery as provided in this chapter (~~section~~ § 6A-2-713).

22 (2) Where the seller fails to deliver or repudiates the buyer may also:

23 (a) If the goods have been identified recover them as provided in this chapter (~~section~~ §  
24 6A-2-502); or

25 (b) In a proper case obtain specific performance or replevy the goods as provided in this  
26 chapter (~~section~~ § 6A-2-716).

27 (3) On rightful rejection or justifiable revocation of acceptance a buyer has a security  
28 interest in goods in his or her possession or control for any payments made on their price and any  
29 expenses reasonably incurred in their inspection, receipt, transportation, care, and custody and  
30 may hold such goods and resell them in like manner as an aggrieved seller (~~section~~ § 6A-2-706).

31 SECTION 44. Section 6A-2.1-103 of the General Laws in Chapter 6A-2.1 entitled  
32 "Leases" is hereby amended to read as follows:

33 **6A-2.1-103. Definitions and index of definitions.** -- (1) In this chapter unless the  
34 context otherwise requires:

1 (a) "Buyer in ordinary course of business" means a person who in good faith and without  
2 knowledge that the sale to him or her is in violation of the ownership rights or security interest or  
3 leasehold interest of a third party in the goods buys in ordinary course from a person in the  
4 business of selling goods of that kind but does not include a pawnbroker. "Buying" may be for  
5 cash or by exchange of other property or on secured or unsecured credit and includes acquiring  
6 goods or documents of title under a preexisting contract for sale but does not include a transfer in  
7 bulk or as security for or in total or partial satisfaction of a money debt.

8 (b) "Cancellation" occurs when either party puts an end to the lease contract for default  
9 by the other party.

10 (c) "Commercial unit" means such a unit of goods as by commercial usage is a single  
11 whole for purposes of lease and division of which materially impairs its character or value on the  
12 market or in use. A commercial unit may be a single chapter, as a machine, or a set of chapters, as  
13 a suite of furniture or a line of machinery, or a quantity, as a gross or carload, or any other unit  
14 treated in use or in the relevant market as a single whole.

15 (d) "Conforming" goods or performance under a lease contract means goods or  
16 performance that are in accordance with the obligations under the lease contract.

17 (e) "Consumer lease" means a lease that a lessor regularly engaged in the business of  
18 leasing or selling makes to a lessee who is an individual and who takes under the lease primarily  
19 for a personal, family, or household purpose.

20 (f) "Fault" means wrongful act, omission, breach, or default.

21 (g) "Finance lease" means a lease with respect to which:

22 (i) The lessor does not select, manufacture, or supply the goods;

23 (ii) The lessor acquires the goods or the right to possession and use of the goods in  
24 connection with the lease; and

25 (iii) One of the following occurs:

26 (A) The lessee receives a copy of the contract by which the lessor acquired the goods or  
27 the right to possession and use of the goods before signing the lease contract;

28 (B) The lessee's approval of the contract by which the lessor acquired the goods or the  
29 right to possession and use of the goods is a condition to effectiveness of the lease contract;

30 (C) The lessee, before signing the lease contract, receives an accurate and complete  
31 statement designating the promises and warranties, and any disclaimers of warranties, limitations  
32 or modifications of remedies, or liquidated damages, including those of a third party, such as the  
33 manufacturer of the goods, provided to the lessor by the person supplying the goods in connection  
34 with or as part of the contract by which the lessor acquired the goods or the right to possession



1 and use of the goods; or

2 (D) If the lease is not a consumer lease, the lessor, before the lessee signs the lease  
3 contract, informs the lessee in writing (a) of the identity of the person supplying the goods to the  
4 lessor, unless the lessee has selected that person and directed the lessor to acquire the goods or the  
5 right to possession and use of the goods from that person, (b) that the lessee is entitled under this  
6 chapter to the promises and warranties, including those of any third party, provided to the lessor  
7 by the person supplying the goods in connection with or as part of the contract by which the  
8 lessor acquired the goods or the right to possession and use of the goods, and (c) that the lessee  
9 may communicate with the person supplying the goods to the lessor and receive an accurate and  
10 complete statement of those promises and warranties, including any disclaimers and limitations of  
11 them or of remedies.

12 (h) "Goods" means all things that are movable at the time of identification to the lease  
13 contract, or are fixtures (~~section~~ § 6A-2.1-309), but the term does not include money, documents,  
14 instruments, accounts, chattel paper, general intangibles, or minerals or the like, including oil and  
15 gas, before extraction. The term also includes the unborn young of animals.

16 (i) "Installment lease contract" means a lease contract that authorizes or requires the  
17 delivery of goods in separate lots to be separately accepted, even though the lease contract  
18 contains a clause "each delivery is a separate lease" or its equivalent.

19 (j) "Lease" means a transfer of the right to possession and use of goods for a term in  
20 return for consideration, but a sale, including a sale on approval or a sale or return, or retention or  
21 creation of a security interest is not a lease. Unless the context clearly indicates otherwise, the  
22 term includes a sublease.

23 (k) "Lease agreement" means the bargain, with respect to the lease, of the lessor and the  
24 lessee in fact as found in their language or by implication from other circumstances including  
25 course of dealing or usage of trade or course of performance as provided in this chapter. Unless  
26 the context clearly indicates otherwise, the term includes a sublease agreement.

27 (l) "Lease contract" means the total legal obligation that results from the lease agreement  
28 as affected by this chapter and any other applicable rules of law. Unless the context clearly  
29 indicates otherwise, the term includes a sublease contract.

30 (m) "Leasehold interest" means the interest of the lessor or the lessee under a lease  
31 contract.

32 (n) "Lessee" means a person who acquires the right to possession and use of goods under  
33 a lease. Unless the context clearly indicates otherwise, the term includes a sublessee.

34 (o) "Lessee in ordinary course of business" means a person who in good faith and

1 without knowledge that the lease to him or her is in violation of the ownership rights or security  
2 interest or leasehold interest of a third party in the goods leases in ordinary course from a person  
3 in the business of selling or leasing goods of that kind but does not include a pawnbroker.  
4 "Leasing" may be for cash or by exchange of other property or on secured or unsecured credit and  
5 includes acquiring goods or documents of title under a preexisting lease contract but does not  
6 include a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

7 (p) "Lessor" means a person who transfers the right to possession and use of goods under  
8 a lease. Unless the context clearly indicates otherwise, the term includes a sublessor.

9 (q) "Lessor's residual interest" means the lessor's interest in the goods after expiration,  
10 termination, or cancellation of the lease contract.

11 (r) "Lien" means a charge against or interest in goods to secure payment of a debt or  
12 performance of an obligation, but the term does not include a security interest.

13 (s) "Lot" means a parcel or a single chapter that is the subject matter of a separate lease  
14 or delivery, whether or not it is sufficient to perform the lease contract.

15 (t) "Merchant lessee" means a lessee that is a merchant with respect to goods of the kind  
16 subject to the lease.

17 (u) "Present value" means the amount as of a date certain of one or more sums payable in  
18 the future, discounted to the date certain. The discount is determined by the interest rate specified  
19 by the parties if the rate was not manifestly unreasonable at the time the transaction was entered  
20 into; otherwise, the discount is determined by a commercially reasonable rate that takes into  
21 account the facts and circumstances of each case at the time the transaction was entered into.

22 (v) "Purchase" includes taking by sale, lease, mortgage, security interest, pledge, gift, or  
23 any other voluntary transaction creating an interest in goods.

24 (w) "Sublease" means a lease of goods the right to possession and use of which was  
25 acquired by the lessor as a lessee under an existing lease.

26 (x) "Supplier" means a person from whom a lessor buys or leases goods to be leased  
27 under a finance lease.

28 (y) "Supply contract" means a contract under which a lessor buys or leases goods to be  
29 leased.

30 (z) "Termination" occurs when either party pursuant to a power created by agreement or  
31 law puts an end to the lease contract otherwise than for default.

32 (2) Other definitions applying to this chapter and the sections in which they appear are:

33 "Accessions". ~~section~~ §6A-2.1-310(1).

34 "Construction mortgage". ~~section~~ §6A-2.1-309(1)(d).

1 "Encumbrance". ~~section~~ §6A-2.1-309(1)(e).  
2 "Fixtures". ~~section~~ §6A-2.1-309(1)(a).  
3 "Fixture filing". ~~section~~ §6A-2.1-309(1)(b).  
4 "Purchase money lease". ~~section~~ §6A-2.1-309(1)(c).  
5 (3) The following definitions in other chapters apply to this Chapter:  
6 "Account". ~~section~~ §6A-9-102(a)(2).  
7 "Between merchants". ~~section~~ §6A-2-104(3).  
8 "Buyer". ~~section~~ §6A-2-103(1)(a).  
9 "Chattel paper". ~~section~~ §6A-9-102(a)(11).  
10 "Consumer goods". ~~section~~ §6A-9-102(a)(23).  
11 "Document". ~~section~~ §6A-9-102(a)(30).  
12 "Entrusting". ~~section~~ §6A-2-403(3).  
13 "General intangibles". ~~section~~ §6A-9-102(a)(42).  
14 "Good faith". ~~section~~ §6A-2-103(1)(b).  
15 "Instrument". ~~section 6A-9-102(2)(47)~~ §6A-9-102(a)(47).  
16 "Merchant". ~~section~~ §6A-2-104(1).  
17 "Mortgage". ~~section~~ §6A-9-102(a)(55).  
18 "Pursuant to commitment". ~~section~~ §6A-9-102(a)(69).  
19 "Receipt". ~~section~~ §6A-2-103(1)(c).  
20 "Sale". ~~section~~ §6A-2-106(1).  
21 "Sale on approval". ~~section~~ §6A-2-326.  
22 "Sale or return". ~~section~~ §6A-2-326.  
23 "Seller". ~~section~~ §6A-2-103(1)(d).

24 (4) In addition, chapter 1 of this title contains general definitions and principles of  
25 construction and interpretation applicable throughout this chapter.

26 SECTION 45. Section 6A-7-102 of the General Laws in Chapter 6A-7 entitled  
27 "Documents of Title" is hereby amended to read as follows:

28 **6A-7-102. Definitions and index of definitions.** -- (a) In this chapter, unless the context  
29 otherwise requires:

30 (1) "Bailee" means a person that by a warehouse receipt, bill of lading, or other document  
31 of title acknowledges possession of goods and contracts to deliver them.

32 (2) "Carrier" means a person that issues a bill of lading.

33 (3) "Consignee" means a person named in a bill of lading to which or to whose order the  
34 bill promises delivery.

1 (4) "Consignor" means a person named in a bill of lading as the person from which the  
2 goods have been received for shipment.

3 (5) "Delivery order" means a record that contains an order to deliver goods directed to a  
4 warehouse, carrier, or other person that in the ordinary course of business issues warehouse  
5 receipts or bills of lading.

6 (6) "Good faith" means honesty in fact and the observance of reasonable commercial  
7 standards of fair dealing.

8 (7) "Goods" means all things that are treated as movable for the purposes of a contract for  
9 storage or transportation.

10 (8) "Issuer" means a bailee that issues a document of title or, in the case of an unaccepted  
11 delivery order, the person that orders the possessor of goods to deliver. The term includes a  
12 person for which an agent or employee purports to act in issuing a document if the agent or  
13 employee has real or apparent authority to issue documents, even if the issuer did not receive any  
14 goods, the goods were misdescribed, or in any other respect the agent or employee violated the  
15 issuer's instructions. (9) "Person entitled under the document" means the holder, in the case of a  
16 negotiable document of title, or the person to which delivery of the goods is to be made by the  
17 terms of, or pursuant to instructions in a record under, a nonnegotiable document of title.

18 (10) "Record" means information that is inscribed on a tangible medium or that is stored  
19 in an electronic or other medium and is retrievable in perceivable form.

20 (11) "Sign" means, with present intent to authenticate or adopt a record: (A) To execute  
21 or adopt a tangible symbol; or (B) To attach to or logically associate with the record an electronic  
22 sound, symbol, or process.

23 (12) "Shipper" means a person that enters into a contract of transportation with a carrier.

24 (13) "Warehouse" means a person engaged in the business of storing goods for hire.

25 (b) Definitions in other chapters applying to this chapter and the sections in which they  
26 appear are:

27 (1) "Contract for sale," [section §6A-2-106](#).

28 (2) "Lessee in the ordinary course of business," [section §6A-2.1-103](#).

29 (3) "Receipt" of goods, [section §6A-2-103](#).

30 (c) In addition, chapter 1 contains general definitions and principles of construction and  
31 interpretation applicable throughout this chapter.

32 SECTION 46. Section 6A-9-502 of the General Laws in Chapter 6A-9 entitled "Secured  
33 Transactions" is hereby amended to read as follows:

34 **6A-9-502. Contents of financing statement; record of mortgage as financing**

1 **statement; time of filing financing statement.** -- (a) Sufficiency of financing statement. -

2 Subject to subsection (b), a financing statement is sufficient only if it:

- 3 (1) Provides the name of the debtor;
- 4 (2) Provides the name of the secured party or a representative of the secured party; and
- 5 (3) Indicates the collateral covered by the financing statement.

6 (b) Real-property-related financing statements. - Except as otherwise provided in **section**  
7 **§ 6A-9-501(b)**, to be sufficient, a financing statement that covers as-extracted collateral or timber  
8 to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures,  
9 must satisfy subsection (a) and also:

- 10 (1) Indicate that it covers this type of collateral;
- 11 (2) Indicate that it is to be filed in the real property records;
- 12 (3) Provide a description of the real property to which the collateral is related; and
- 13 (4) If the debtor does not have an interest of record in the real property, provide the name  
14 of a record owner.

15 (c) Record of mortgage as financing statement. - A record of a mortgage is effective,  
16 from the date of recording, as a financing statement filed as a fixture filing or as a financing  
17 statement covering as-extracted collateral or timber to be cut only if:

- 18 (1) The record indicates the goods or accounts that it covers;
- 19 (2) The goods are or are to become fixtures related to the real property described in the  
20 record or the collateral is related to the real property described in the record and is as-extracted  
21 collateral or timber to be cut;
- 22 (3) The record satisfies the requirements for a financing statement in this section, but:
  - 23 (i) The record need not indicate that it is to be filed in the real property records; and
  - 24 (ii) The record sufficiently provides the name of a debtor who is an individual if it  
25 provides the individual name of the debtor or the surname and first personal name of the debtor,  
26 even if the debtor is an individual to whom subdivision 6A-9-503-(a)(4) applies; and
- 27 (4) The record is duly recorded.

28 (d) Filing before security agreement or attachment. - A financing statement may be filed  
29 before a security agreement is made or a security interest otherwise attaches.

30 SECTION 47. Section 8-5-8 of the General Laws in Chapter 8-5 entitled "Court  
31 Secretaries, Court Reporters, and Electronic Court Reporters" is hereby amended to read as  
32 follows:

33 **8-5-8. Interpreters for deaf and hearing impaired persons. [Effective until July 1,**  
34 **2014.]** -- (a) In all civil and criminal cases, in workers' compensation, district, family, and

1 superior court, and in the state traffic tribunal, and in any case in any municipal court pursuant to  
2 chapter 18 of this title, where a party or a witness is a person who is deaf or hard of hearing, he or  
3 she shall have the proceedings of the trial interpreted to him or her in a language that he or she  
4 can understand by a qualified interpreter appointed by the court. In any case where an interpreter  
5 is required to be appointed by the court under this section, the court shall not commence  
6 proceedings until the appointed interpreter is in court in a position not exceeding ten feet (10')  
7 from, and in full view of, the person who is deaf or hard of hearing. The interpreter appointed  
8 under the terms of the section shall be required to take an oath that he or she will make a true  
9 interpretation to the person who is deaf or hard of hearing of all the proceedings of the case in a  
10 language that he or she understands; and will repeat the answer of the person who is deaf or hard  
11 of hearing to questions to counsel, court, or jury in the English language; in his or her best skill  
12 and judgment.

13 (b) For the purposes of this section, "person who is hard of hearing" means a person who  
14 as a result of a hearing impairment, requires sign language and/or speech reading as part of his or  
15 her communication system. A "qualified interpreter" means an interpreter for the person who is  
16 hard of hearing skilled in sign language or oral interpretation and transliteration, having the  
17 ability to communicate accurately with a person who is deaf or hard of hearing. An interpreter  
18 shall be deemed qualified as determined by the commission on the deaf and hard of hearing;  
19 based upon recommendations from the commission and the deaf and hard of hearing interpreter  
20 screening committee, the Rhode Island association of the deaf, the ~~national registry of interpreters~~  
21 ~~for the deaf~~ [National Registry of Interpreters for the Deaf](#), and other appropriate agencies. The  
22 commission on the deaf and hard of hearing shall coordinate all requests for qualified interpreters  
23 and shall maintain a list of all such interpreters from which it shall fill such requests. No  
24 interpreter is precluded from being further examined by the court system.

25 (c) Interpreters appointed under the terms of the section shall be paid by the state or  
26 municipality a reasonable compensation fixed by the court.

27 **8-5-8. Sign language interpreters/translitterators and Communication Access**  
28 **Realtime Translation (CART) providers for deaf, hard of hearing, and deaf-blind persons.**

29 **[Effective July 1, 2014.]** -- (a) In all civil and criminal cases, in workers' compensation, district,  
30 family, and superior court proceedings, mental health court competency hearings, state traffic  
31 tribunals, and in any case in any municipal court, including, but not limited to, on-site, court-  
32 provided, alternative dispute resolution, mediation, arbitration, diversion/intervention program or  
33 treatment; and in an administrative, commission, or agency hearing; pursuant to chapter 18 of this  
34 title, where a party or a witness is a person who is deaf, hard of hearing, or deaf-blind, or a

1 juvenile whose parent or parents are deaf, hard of hearing, or deaf-blind is brought before a court  
2 for any reason, he or she shall have the proceedings accessible to him or her in a language that he  
3 or she can understand by a sign language interpreter/transliterat~~or~~; or ~~a~~ CART provider appointed  
4 by the court. In any case where a sign language interpreter/transliterat~~or~~; or ~~a~~ CART provider is  
5 required to be appointed by the court under this section, the court shall not commence  
6 proceedings until the appointed sign language interpreter/transliterat~~or~~; or ~~a~~ CART provider is in  
7 court in a position not exceeding ten feet (10') from, and in full view of the person who is deaf,  
8 hard of hearing, or deaf-blind. The sign language interpreter/transliterat~~or~~; or ~~a~~ CART provider  
9 appointed under the terms of the section shall be required to take an oath that he or she will make  
10 a legally equivalent, linguistically true interpretation, transliteration, or transcription for the  
11 person who is deaf, hard of hearing, or deaf-blind of all the proceedings or hearings of the case or  
12 claim in a language that he or she understands; and will orally transfer the meaning of the answer  
13 to questions and any other statements of the person who is deaf, hard of hearing, or deaf-blind ~~to~~  
14 ~~questions~~ to counsel, ~~or~~ the court, and jury in the English language with exactitude, while  
15 accurately reflecting the form and content of the linguistic and paralinguistic elements of the  
16 speaker's discourse.

17 Assistive listening devices ~~are, or~~ other reasonable and effective auxiliary aids available,  
18 shall be provided for the deaf, hard of hearing, and deaf-blind who need to maximize their  
19 engagement in the proceedings or hearings in addition to ~~the interpreters/transliterat~~  
20 interpreter/transliterat and/or CART providers.

21 (b) For the purposes of this section, "sign language interpreter/transliterat~~or~~" means a  
22 person who is a certified interpreter as defined in ~~chapter 5-71 § 5-71-3~~ in providing the  
23 interpreting and transliterating services for the deaf, hard of hearing, and deaf-blind. "CART  
24 provider" means a person who is a qualified communication access realtime translation (CART)  
25 service provider certified by the ~~national court reporters association~~ National Court Reporters  
26 Association. "Paralinguistic elements" means a non-verbal element of language, including all of  
27 the pauses, hedges, self-corrections, hesitations, and emotion as they are conveyed through tone  
28 of voice, word choice, level of formality, tone of voice, and intonation. "Assistive listening device  
29 (ALD) or assistive listening system (ALS)" means instruments that are designed to improve a  
30 person's ability to hear in specific listening situations. Some ALDs amplify a sound signal, but the  
31 primary purpose of an ALD is to make the targeted sound easier to hear by isolating the sound  
32 source from surrounding noise. Examples are induction loop systems, frequency-modulated (FM)  
33 systems, infrared systems, and personal amplifiers. A sign language interpreter/transliterat~~or~~, or ~~a~~  
34 CART provider shall be deemed qualified in accordance with United States ~~department of justice~~



1 [Department of Justice](#) regulations effectuating Title II of the federal "Americans with ~~disabilities~~  
2 ~~act~~ [Disabilities Act](#) of 1990", as from time to time may be amended, Pub. L. 101-336, codified at  
3 42 U.S.C. section 12101, et. seq., including regulations, analysis, and technical assistance and as  
4 determined by the definition of ~~the Rhode Island general laws 5-71~~ [chapter 71 of title 5](#) and the  
5 ~~Commission on the Deaf and Hard of Hearing~~ [commission on the deaf and hard of hearing](#), based  
6 upon recommendations from the, the National Association of the Deaf, the National Registry of  
7 Interpreters for the Deaf, the National Hearing Loss Association of America, and other  
8 appropriate agencies. The ~~Commission on the Deaf and Hard of Hearing~~ [commission on the deaf](#)  
9 [and hard of hearing](#) shall coordinate all requests for qualified sign language  
10 interpreters/transliterators and CART providers and shall maintain a list of all such sign language  
11 interpreters/transliterators and CART providers from which it shall fill such requests. No sign  
12 language interpreter/transliterators ~~and~~ [or](#) CART provider is precluded from being further  
13 examined by the court system.

14 (c) Sign language interpreters/transliterators and CART providers appointed under the  
15 terms of the section shall be paid by the state or municipality a reasonable compensation fixed by  
16 the court.

17 SECTION 48. Section 8-18-2 of the General Laws in Chapter 8-18 entitled "State and  
18 Municipal Court Compact" is hereby amended to read as follows:

19 **8-18-2. Universal summons.** -- All state agencies and municipalities ~~which~~ [that](#) have law  
20 enforcement powers shall be issued and authorized a form for summons and complaint to be used  
21 for all violations specified in chapters 27, 41.1 and 41.2 of title 31 and no other summons shall be  
22 substituted except as provided by ~~section~~ [§](#) 31-12-12. All fines, assessments, fees, and other  
23 financial charge or any other responsibility not changed by the following shall be deemed  
24 enforceable even when the summons is issued by a municipality and adjudicated by a municipal  
25 court, or issued by state agencies or a municipality without a court and adjudicated by the traffic  
26 tribunal. All summonses, once issued, must be recorded by the traffic tribunal prior to a hearing,  
27 arraignment, or trial. If the summons is answered by payment without personal appearance  
28 pursuant to ~~section~~ [§](#) 31-41.1-2, it shall be recorded by the traffic tribunal upon return from the  
29 financial institution.

30 SECTION 49. Section 15-3-6.1 of the General Laws in Chapter 15-3 entitled  
31 "Solemnization of Marriages" is hereby amended to read as follows:

32 **15-3-6.1. Protection of freedom of religion in marriage.** -- (a) Consistent with the  
33 guarantees of freedom of religion set forth by both the First Amendment to the United States  
34 ~~constitution and article I section 3 of the Rhode Island constitution~~ [Constitution and Article I](#)

1 [Section 3 of the Rhode Island Constitution](#), each religious institution has exclusive control over  
2 its own religious doctrine, policy, and teachings regarding who may marry within its faith, and on  
3 what terms, as long as such policies are consistent with ~~sections §§~~ 15-1-2, 15-1-3, 15-1-4, and  
4 15-1-5. No court or other state or local governmental body, entity, agency, or commission shall  
5 compel, prevent, or interfere in any way with any religious institution's decisions about marriage  
6 eligibility within that particular faith's tradition.

7 (b) Consistent with the guarantees of freedom of religion set forth by both the First  
8 Amendment to the United States Constitution and ~~article I section 3 of the Rhode Island~~  
9 ~~constitution~~ [Article I Section 3 of the Rhode Island Constitution](#), no regularly licensed or  
10 ordained clergyperson, minister, elder, priest, imam, rabbi, or similar official of any church or  
11 religious denomination as described and authorized in ~~sections §§~~ 15-3-5 and 15-3-6 ~~of the~~  
12 ~~general laws~~ to officiate at a civil marriage, is required to solemnize any marriage. A regularly  
13 licensed or ordained clergyperson, minister, elder, priest, imam, rabbi, or similar official of any  
14 church or religious denomination shall be immune from any civil claim or cause of action based  
15 on a refusal to solemnize any marriage under this chapter. No state agency or local government  
16 may base a decision to penalize, withhold benefits from, or refuse to contract with any church or  
17 religious denomination on the refusal of a person associated with such church or religious  
18 denomination to solemnize a marriage under this chapter.

19 (c) Notwithstanding any other provision of law, a religious organization, association, or  
20 society, and any nonprofit institution or organization operated, supervised, or controlled by a  
21 religious organization, association, or society, or a fraternal benefit or service organization that  
22 has among its stated purposes the promotion and support or protection of a religious organization,  
23 association, or society and that restricts membership to practicing members of that religious  
24 organization, association, or society, shall not be required to provide services, accommodations,  
25 advantages, facilities, goods, or privileges to an individual if the request for such services,  
26 accommodations, advantages, facilities, goods, or privileges is related to:

27 (1) The solemnization of a marriage or the celebration of a marriage, and such  
28 solemnization or celebration is in violation of its religious beliefs and faith; or

29 (2) The promotion of marriage through any social or religious programs or services,  
30 ~~which~~ [that](#) violates the religious doctrine or teachings of religious organization, association, or  
31 society. Any refusal by an entity described above or an officer, employee, or member thereof  
32 acting in an official capacity on behalf of that entity to provide services, accommodations,  
33 advantages, facilities, goods, or privileges in accordance with this subsection shall not create any  
34 civil claim or cause of action. This subsection shall not be construed to limit a religious

1 organization, association, or society, or a fraternal benefit or service organization as described in  
2 this subsection, from selectively providing services, accommodations, advantages, facilities,  
3 goods, or privileges to some individuals with respect to solemnization or celebration of a  
4 marriage but not to others.

5 (d) Nothing in the marriage laws of this state shall be deemed or construed to limit the  
6 protections and exemptions provided to religious organizations under ~~GL paragraph 28-5-6(7)(ii)~~  
7 [§§ 28-5-6\(8\)\(ii\)](#) and ~~subsection~~ 34-37-4.2(a).

8 (e) A fraternal benefit or service organization that is operated, supervised, or controlled  
9 by a religious organization and a fraternal benefit or service organization ~~which that~~ has among  
10 its stated purposes the promotion, support, or protection of a religious organization and ~~which that~~  
11 restricts its membership to practicing members of that religious organization shall not be required  
12 to admit any individual as a member or to provide benefits to any individual. A refusal by a  
13 fraternal benefit or service organization by a member, officer, or employee thereof acting in an  
14 official capacity on behalf of a society described herein, to admit an individual as a member or to  
15 provide benefits related to a marriage ~~which that~~ is in violation of the religious doctrine or  
16 teachings of the religious organization to which its members are required to adhere, shall not  
17 create a civil claim or result in any government action to penalize, withhold benefits from the  
18 fraternal benefit or service organization, or discriminate against a society, or a member, officer,  
19 or employee described herein.

20 SECTION 50. Section 17-25-30 of the General Laws in Chapter 17-25 entitled "Rhode  
21 Island Campaign Contributions and Expenditures Reporting" is hereby amended to read as  
22 follows:

23 **17-25-30. Public financing of election campaigns -- Compliance benefits. -- Any**  
24 **candidate eligible to receive public funds who complies in full with eligibility criteria for receipt**  
25 **of the funds shall be:**

26 (1) Entitled to an additional benefit of free time on community antenna television to be  
27 allocated pursuant to rules determined by the administrator for the division of public utilities.  
28 During all allocated free time, the candidate shall personally appear and present the message of  
29 the advertisement; provided, however, the content of all television time shall include captioning  
30 for the deaf and hard of hearing and the content of all radio time must be available in a written or  
31 text format at the time of request; and

32 (2) Entitled to an additional benefit of free time on any public broadcasting station  
33 operating under the jurisdiction of the Rhode Island PBS foundation pursuant to rules determined  
34 by the ~~federal communications commission~~ [Federal Communications Commission](#) (FCC). During

1 all allocated free time, the candidate shall personally appear and personally present the message  
2 of the advertisement; provided, however, the content of all television time shall include  
3 captioning for the deaf and hard of hearing and the content of all radio time must be available in a  
4 written or text format at the time of request.

5 SECTION 51. Section 23-17-38.1 of the General Laws in Chapter 23-17 entitled  
6 "Licensing of Health Care Facilities" is hereby amended to read as follows:

7 **23-17-38.1. Hospitals -- Licensing fee.** -- (a) There is imposed a hospital licensing fee at  
8 the rate of five and thirty-five hundredths percent (5.35%) upon the net patient services revenue  
9 of every hospital for the hospital's first fiscal year ending on or after January 1, 2011, except that  
10 the license fee for all hospitals located in Washington County, Rhode Island, shall be discounted  
11 by thirty-seven percent (37%). The discount for Washington County hospitals is subject to  
12 approval by the Secretary of the US Department of Health and Human Services of a state plan  
13 amendment submitted by the ~~Executive Office of Health and Human Services~~ [executive office of](#)  
14 [health and human services](#) for the purpose of pursuing a waiver of the uniformity requirement for  
15 the hospital license fee. This licensing fee shall be administered and collected by the tax  
16 administrator, division of taxation, within the department of revenue, and all the administration,  
17 collection, and other provisions of ~~51 of title 44~~ [chapter 51 of title 44](#) shall apply. Every hospital  
18 shall pay the licensing fee to the tax administrator on or before July 15, 2013, and payments shall  
19 be made by electronic transfer of monies to the general treasurer and deposited to the general  
20 fund. Every hospital shall, on or before June 17, 2013, make a return to the tax administrator  
21 containing the correct computation of net patient services revenue for the hospital fiscal year  
22 ending September 30, 2011, and the licensing fee due upon that amount. All returns shall be  
23 signed by the hospital's authorized representative, subject to the pains and penalties of perjury.

24 (b) There is also imposed a hospital licensing fee at the rate of five and two hundred  
25 forty-six thousandths percent (5.246%) upon the net patient services revenue of every hospital for  
26 the hospital's first fiscal year ending on or after January 1, 2012, except that the license fee for all  
27 hospitals located in Washington County, Rhode Island shall be discounted by thirty-seven percent  
28 (37%). The discount for Washington County hospitals is subject to approval by the Secretary of  
29 the US Department of Health and Human Services of a state plan amendment submitted by the  
30 ~~Executive Office of Health and Human Services~~ [executive office of health and human services](#)  
31 for the purpose of pursuing a waiver of the uniformity requirement for the hospital license fee.  
32 This licensing fee shall be administered and collected by the tax administrator, division of  
33 taxation within the department of revenue, and all the administration, collection, and other  
34 provisions of ~~51 of title 44~~ [chapter 51 of title 44](#) shall apply. Every hospital shall pay the

1 licensing fee to the tax administrator on or before July 14, 2014, and payments shall be made by  
2 electronic transfer of monies to the general treasurer and deposited to the general fund. Every  
3 hospital shall, on or before June 16, 2014, make a return to the tax administrator containing the  
4 correct computation of net patient services revenue for the hospital fiscal year ending September  
5 30, 2012, and the licensing fee due upon that amount. All returns shall be signed by the hospital's  
6 authorized representative, subject to the pains and penalties of perjury.

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

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

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

14 (3) "Net patient services revenue" means the charges related to patient care services less  
15 (i) ~~charges~~ Charges attributable to charity care; (ii) ~~bad~~ Bad debt expenses; and (iii) ~~contractual~~  
16 Contractual allowances.

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

21 (e) The licensing fee imposed by this section shall apply to hospitals as defined herein  
22 ~~which~~ that are duly licensed on July 1, 2013, and shall be in addition to the inspection fee  
23 imposed by ~~section §~~ 23-17-38 and to any licensing fees previously imposed in accordance with  
24 ~~section §~~ 23-17-38.1.

25 SECTION 52. Section 28-44-69 of the General Laws in Chapter 28-44 entitled  
26 "Employment Security - Benefits" is hereby amended to read as follows:

27 **28-44-69. Work-sharing benefits.** -- (a) Definitions. - As used in this section, unless the  
28 context clearly requires otherwise:

29 (1) "Affected unit" means a specified plant, department, shift, or other definable unit  
30 consisting of two (2) or more employees to which an approved work-sharing plan applies.

31 (2) "Eligible employee" means an individual who usually works for the employer  
32 submitting a work-sharing plan.

33 (3) "Eligible employer" means any employer who has had contributions credited to his or  
34 her account and benefits have been chargeable to this account, or who has elected to reimburse

1 the fund in lieu of paying contributions, and who is not delinquent in the payment of  
2 contributions or reimbursements; as required by chapters 42 – 44, inclusive of this title.

3 (4) "Fringe benefits" include, but are not limited to, health insurance, retirement benefits,  
4 paid vacation and holidays, sick leave, and similar advantages that are incidents of employment.

5 (5) "Intermittent employment" means employment ~~which~~ that is not continuous but may  
6 consist of periodic intervals of weekly work and intervals of no weekly work.

7 (6) "Seasonal employment" means employment with an employer who displays a twenty  
8 percent (20%) difference between its highest level of employment and its lowest level of  
9 employment each year for the three (3) previous calendar years as reported to the department of  
10 labor and training, or as shown in the information ~~which~~ that is available and satisfactory to the  
11 director.

12 (7) "Temporary employment" means employment where an employee is expected to  
13 remain in a position for only a limited period of time and/or is hired by a temporary agency to fill  
14 a gap in an employer's workforce.

15 (8) "Usual weekly hours of work" means the normal hours of work each week for an  
16 employee in an affected unit when that unit is operating on a full-time basis, not to exceed forty  
17 (40) hours and not including overtime.

18 (9) "Work-sharing benefits" means benefits payable to employees in an affected unit  
19 under an approved work-sharing plan.

20 (10) "Work-sharing employer" means an employer with an approved work-sharing plan  
21 in effect.

22 (11) "Work-sharing plan" means a plan submitted by an employer under which there is a  
23 reduction in the number of hours worked by the employees in the affected unit in lieu of layoffs  
24 of some of the employees.

25 (b) (1) Criteria for approval of a work-sharing plan. - An employer wishing to participate  
26 in the work-sharing program shall submit a signed, written work-sharing plan to the director for  
27 approval. The director shall approve a work-sharing plan only if the following requirements are  
28 met:

29 (i) The plan identifies the affected unit or units and specifies the effective date of the  
30 plan;

31 (ii) The employees in the affected unit or units are identified by name; social security  
32 number; the usual weekly hours of work; proposed wage and hour reduction; and any other  
33 information that the director shall require;

34 (iii) The plan certifies that the reduction in the usual weekly hours of work is in lieu of

1 layoffs ~~which~~ that would have affected at least 10 percent (10%) of the employees in the affected  
2 unit or units to which the plan applies and ~~which~~ that would have resulted in an equivalent  
3 reduction in work hours;

4 (iv) The usual weekly hours of work for employees in the affected unit or units are  
5 reduced by not less than 10 percent (10%) and not more than 50 percent (50%); and the reduction  
6 in hours in each affected unit are spread equally among employees in the affected unit;

7 (v) If the employer provides health benefits and/or retirement benefits under a defined  
8 benefit plan (~~as defined in 26 U.S.C. § section 414(j) of the internal revenue code~~) or  
9 contributions under a defined contribution plan (~~as defined in 26 U.S.C. § section 414(i) of the  
10 internal revenue code~~) to any employee whose workweek is reduced under the program, the  
11 employer certifies that such benefits will continue to be provided to employees participating in  
12 the work-sharing program under the same terms and conditions as though the workweek of such  
13 employee had not been reduced or to the same extent as other employees not participating in the  
14 work-sharing program;

15 (vi) In the case of employees represented by a collective bargaining agent or union, the  
16 plan is approved in writing by the collective bargaining agents or unions that cover the affected  
17 employees. In the absence of any collective bargaining agent or union, the plan must contain a  
18 certification by the employer that the proposed plan, or a summary of the plan, has been made  
19 available to each employee in the affected unit;

20 (vii) The plan will not serve as a subsidy of seasonal employment during the off season,  
21 nor as a subsidy for temporary or intermittent employment;

22 (viii) The employer agrees to furnish reports relating to the proper conduct of the plan  
23 and agrees to allow the director or his or her authorized representatives access to all records  
24 necessary to verify the plan prior to approval and, after approval, to monitor and evaluate  
25 application of the plan;

26 (ix) The employer describes the manner in which the requirements of this section will be  
27 implemented (including a plan for giving notice, where feasible, to an employee whose  
28 workweek is to be reduced) together with an estimate of the number of layoffs that would have  
29 occurred absent the ability to participate in the work-sharing program and such other information  
30 as ~~the secretary of labor~~ the director of the department of labor and training determines is  
31 appropriate; ~~and~~

32 (x) The employer attests that the terms of the employer's written plan and  
33 implementation are consistent with the employer's obligations under applicable federal and state  
34 laws; and



1           ~~(2)~~(xi) In addition to the matters previously specified in this section, the director shall  
2 take into account any other factors that may be pertinent to proper implementation of the plan.

3           (c) Approval or rejection of the plan. The director shall approve or reject a plan in  
4 writing. The reasons for rejection shall be final and not subject to appeal. The employer shall be  
5 allowed to submit another plan for consideration and that determination will be made based upon  
6 the new data submitted by the interested employer.

7           (d) Effective date and duration of the plan. A plan shall be effective on the date specified  
8 in the plan or on the first Sunday following the date on which the plan is approved by the director,  
9 whichever is later. It shall expire at the end of the twelfth, ~~(12th)~~ full-calendar month after its  
10 effective date or on the date specified in the plan if that date is earlier; provided, that the plan is  
11 not previously revoked by the director. If a plan is revoked by the director, it shall terminate on  
12 the date specified in the director's written order of revocation.

13           (e) ~~(+)~~ Revocation of approval. The director may revoke approval of a work-sharing plan  
14 for good cause. The revocation order shall be in writing and shall specify the date the revocation  
15 is effective and the reasons for it. The revocation order shall be final and not subject to appeal.

16           ~~(2)~~(1) Good cause shall include, but not be limited to: (i) failure Failure to comply with  
17 assurances given in the plan; (ii) unreasonable Unreasonable revision of productivity standards  
18 for the affected unit; (iii) conduct Conduct or occurrences tending to defeat the intent and  
19 effective operation of the plan; and (iv) violation Violation of any criteria on which approval of  
20 the plan was based.

21           ~~(3)~~(2) The action may be taken at any time by the director on his or her own motion; on  
22 the motion of any of the affected unit's employees; or on the motion of the collective bargaining  
23 agent or agents. The director shall review the operation of each qualified employer plan at least  
24 once during the period the plan is in effect to assure its compliance with the work-sharing  
25 requirements.

26           (f) Modification of the plan. An operational approved work-sharing plan may be  
27 modified by the employer with the consent of the collective bargaining agent or agents, if any, if  
28 the modification is not substantial and is in conformity with the plan approved by the director,  
29 provided the modifications are reported promptly to the director by the employer. If the hours of  
30 work are increased or decreased substantially beyond the level in the original plan, or any other  
31 conditions are changed substantially, the director shall approve or disapprove the modifications  
32 without changing the expiration date of the original plan. If the substantial modifications do not  
33 meet the requirements for approval, the director shall disallow that portion of the plan in writing.  
34 The decision of the director shall be final and not subject to appeal.

1 (g) ~~(4)~~ Eligibility for work-sharing benefits. An individual is eligible to receive work-  
2 sharing benefits, subsequent to serving a waiting period as prescribed by the director, with respect  
3 to any week only if, in addition to meeting other conditions of eligibility for regular benefits  
4 under this title that are not inconsistent with this section, the director finds that:

5 ~~(4)~~(1) During the week, the individual is employed as a member of an affected unit under  
6 an approved work-sharing plan that was approved prior to that week, and the plan is in effect with  
7 respect to the week for which work-sharing benefits are claimed.

8 ~~(4)~~(2) The individual is able to work and is available for the normal work week with the  
9 work-sharing employer.

10 ~~(2)~~(3) Notwithstanding any other provisions of this chapter to the contrary, an individual  
11 is deemed unemployed in any week for which remuneration is payable to him or her as an  
12 employee in an affected unit for less than his or her normal weekly hours of work as specified  
13 under the approved work-sharing plan in effect for the week.

14 ~~(3)~~(4) Notwithstanding any other provisions of this title to the contrary, an individual  
15 shall not be denied work-sharing benefits for any week by reason of the application of provisions  
16 relating to the availability for work and active search for work with an employer other than the  
17 work-sharing employer.

18 ~~(4)~~(5) Notwithstanding any other provisions of this title to the contrary, eligible  
19 employees may participate, as appropriate, in training (including employer-sponsored training or  
20 worker training funded under the Workforce Investment Act of 1998) to enhance job skills if such  
21 program has been approved by the state agency.

22 (h) (1) Work-sharing benefits. - The work-sharing weekly benefit amount shall be the  
23 product of the regular, weekly benefit rate, including any dependents' allowances, multiplied by  
24 the percentage reduction in the individual's usual weekly hours of work as specified in the  
25 approved plan. If the work-sharing weekly benefit amount is not an exact multiple of one dollar  
26 (\$1.00) then the weekly benefit amount shall be rounded down to the next lower multiple of one  
27 dollar (\$1.00).

28 (2) An individual may be eligible for work-sharing benefits or regular unemployment  
29 compensation, as appropriate, except that no individual shall be eligible for combined benefits in  
30 any benefit year in an amount more than the maximum entitlement established for unemployment  
31 compensation, nor shall an individual be paid work-sharing benefits for more than fifty-two (52)  
32 weeks, whether or not consecutive, in any benefit year pursuant to an approved work-sharing  
33 plan.

34 (3) The work-sharing benefits paid shall be deducted from the maximum entitlement

1 amount established for that individual's benefit year.

2 (4) If an employer approves time off and the worker has performed some work during  
3 the week, the individual is eligible for work-sharing benefits based on the combined work and  
4 paid leave hours for that week. If the employer does not grant time off, the question of  
5 availability must be investigated.

6 (5) If an employee was sick and consequently did not work all the hours offered by the  
7 work-sharing employer in a given week, the employee will be denied work-sharing benefits for  
8 that week.

9 (6) Claims for work-sharing benefits shall be filed in the same manner as claims for  
10 unemployment compensation or as prescribed in regulations by the director.

11 (7) Provisions applicable to unemployment compensation claimants shall apply to work-  
12 sharing claimants to the extent that they are not inconsistent with the established work-sharing  
13 provisions. An individual who files an initial claim for work-sharing benefits shall be provided, if  
14 eligible for benefits, a monetary determination of entitlement to work-sharing benefits and shall  
15 serve a waiting week.

16 (8) If an individual works in the same week for an employer other than the work-sharing  
17 employer, the individual's work-sharing benefits shall be computed in the same manner as if the  
18 individual worked solely with the work-sharing employer. If the individual is not able to work or  
19 is not available for the normal work week with the work-sharing employer, then no work-sharing  
20 benefits shall be payable to that individual for that week.

21 (9) An individual who performs no services during a week for the work-sharing  
22 employer and is otherwise eligible shall be paid the full weekly unemployment compensation  
23 amount. That week shall not be counted as a week with respect to which work-sharing benefits  
24 were received.

25 (10) An individual who does not work for the work-sharing employer during a week but  
26 works for another employer and is otherwise eligible shall be paid benefits for that week under  
27 the partial unemployment compensation provisions of this chapter. That week shall not be  
28 counted as a week with respect to which work-sharing benefits were received.

29 (11) Nothing in the section shall preclude an otherwise eligible individual from receiving  
30 total or partial unemployment benefits when the individual's work-sharing benefits have been  
31 exhausted.

32 (i) Benefit charges. - Work-sharing benefits shall be charged to the account of the work-  
33 sharing employer. Employers liable for payments in lieu of contributions shall be responsible for  
34 reimbursing the employment security fund for the full amount of work-sharing benefits paid to

1 their employees under an approved work-sharing plan. Notwithstanding the above, any work-  
2 sharing benefits paid on or after July 1, 2013, ~~which~~ that are eligible for federal reimbursement  
3 shall not be chargeable to employer accounts and employers liable for payments in lieu of  
4 contributions shall not be responsible for reimbursing the employment security fund for any  
5 benefits paid to their employees on or after July 1, 2013, that are reimbursed by the federal  
6 government.

7 (j) Extended benefits. An individual who has received all of the unemployment  
8 compensation or combined unemployment compensation and work-sharing benefits available in a  
9 benefit year shall be considered an exhaustee for purposes of extended benefits, as provided  
10 under the provisions of ~~section~~ § 28-44-62, and, if otherwise eligible under those provisions, shall  
11 be eligible to receive extended benefits.

12 (k) Severability. - If any provision of this section, or its application to any person or  
13 circumstance, is held invalid under federal law, the remainder of the section and the application  
14 of that provision to other persons or circumstances shall not be affected by that invalidity.

15 SECTION 53. Section 31-41.2-4 of the General Laws in Chapter 31-41.2 entitled  
16 "Automated Traffic Violation Monitoring Systems" is hereby amended to read as follows:

17 **31-41.2-4. Procedure -- Notice. --** (a) Except as expressly provided in this chapter, all  
18 prosecutions based on evidence produced by an automated traffic violation detection system shall  
19 follow the procedures established in chapter 41.1 of this title; ~~chapter 8-18~~ chapter 18 of title 8 of  
20 ~~these general laws~~, except the ~~provision~~ provisions providing for payments to the state in ~~sections~~  
21 §§ 8-18-4 and 8-18-6, and the rules promulgated by the chief magistrate of the traffic tribunal for  
22 the hearing of civil traffic violations. A summons may be issued by an officer solely based on  
23 evidence obtained by use of an automated traffic violation detection system. All summons issued  
24 based on evidence obtained from an automated traffic violation detection system shall be issued  
25 within fourteen (14) days of the violation.

26 (b) Notwithstanding any rule, regulation, or other provision of the general or public laws  
27 to the contrary, no city or town shall be required to make payments to the state in implementing  
28 any provision of this chapter until July 1, 2013.

29 (c) It shall be sufficient to commence a prosecution based on evidence obtained from an  
30 automated traffic violation detection system that a copy of the summons and supporting  
31 documentation be mailed to the address of the registered owner kept on file by the registry of  
32 motor vehicles pursuant to ~~section~~ § 31-3-34 ~~of these general laws~~. For purposes of this section,  
33 the date of issuance shall be the date of mailing.

34 (d) The officer issuing the summons shall certify under penalties of perjury that the

1 evidence obtained from the automated, traffic-violation-detection system was sufficient to  
2 demonstrate a violation of the motor vehicle code. Such certification shall be sufficient in all  
3 prosecutions pursuant to this chapter to justify the entry of a default judgment upon sufficient  
4 proof of actual notice in all cases where the summons is not answered within the time period  
5 permitted.

6 (e) The summons shall contain all the information provided for on the uniform summons  
7 as referred to in ~~section § 31-41.1-1 of the general laws~~ and the rules of procedure promulgated  
8 by the chief magistrate of the traffic tribunal subject to the approval of the supreme court pursuant  
9 to ~~section § 8-6-2~~.

10 (f) In addition to the summons, the following information shall be attached to the  
11 summons:

12 (1) Copies of two (2) or more photographs, or microphotographs, or other recorded  
13 images taken as proof of the violation; ~~and~~

14 (2) A signed statement by a trained law enforcement officer that, based on inspection of  
15 recorded images, the motor vehicle was being operated in violation of ~~section § 31-13-4~~ of this  
16 subtitle; ~~and~~

17 (3) A statement that recorded images are evidence of a violation of this chapter; and

18 (4) A statement that the person who receives a summons under this chapter may either  
19 pay the civil penalty in accordance with the provisions of ~~section § 31-41.1-3~~, or elect to stand  
20 trial for the alleged violation.

21 SECTION 54. Section 35-1.1-3 of the General Laws in Chapter 35-1.1 entitled "Office of  
22 Management and Budget" is hereby amended to read as follows:

23 **35-1.1-3. Director of management and budget. [Effective January 1, 2014.] --**  
24 Appointment and responsibilities.

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

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

32 (1) Oversee, coordinate, and manage the functions of the budget officer as set forth by  
33 ~~section chapter 35- chapter 3 of this title~~; program performance management as set forth by  
34 ~~section § 35-3-24.1~~; approval of agreements with federal agencies defined by ~~section § 35-3-25~~;

1 and budgeting, appropriation, and receipt of federal monies as set forth by chapter ~~42-41~~ of title  
2 [42](#);

3 (2) Manage federal fiscal proposals and guidelines; and serve as the ~~State Clearinghouse~~  
4 [state clearinghouse](#) for the application of federal grants; ~~and~~;

5 (3) Maximize the indirect cost recoveries by state agencies set forth by ~~section §~~ 35-4-  
6 23.1; ~~and~~

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

14 SECTION 55. Section 35-3-7 of the General Laws in Chapter 35-3 entitled "State  
15 Budget" is hereby amended to read as follows:

16 **35-3-7. Submission of budget to general assembly -- Contents. [Effective January 1,**

17 **2014.]** -- (a) On or before the third Thursday in January in each year of each January session of  
18 the general assembly, the governor shall submit to the general assembly a budget containing a  
19 complete plan of estimated revenues and proposed expenditures, with a personnel supplement  
20 detailing the number and titles of positions of each agency and the estimates of personnel costs  
21 for the next fiscal year, and with the inventory required by ~~subsection §~~ 35-1.1-3(b)(4). Provided,  
22 however, in those years that a new governor is inaugurated, the new governor shall submit the  
23 budget on or before the first Thursday in February. In the budget the governor may set forth in  
24 summary and detail:

25 (1) Estimates of the receipts of the state during the ensuing fiscal year under laws  
26 existing at the time the budget is transmitted and also under the revenue proposals, if any,  
27 contained in the budget, and comparisons with the estimated receipts of the state during the  
28 current fiscal year, as well as actual receipts of the state for the last two (2) completed fiscal  
29 years.

30 (2) Estimates of the expenditures and appropriations necessary in the governor's  
31 judgment for the support of the state government for the ensuing fiscal year, and comparisons  
32 with appropriations for expenditures during the current fiscal year, as well as actual expenditures  
33 of the state for the last two (2) complete fiscal years.

34 (3) Financial statements of the;

1 (i) Condition of the treasury at the end of the last completed fiscal year;  
2 (ii) The estimated condition of the treasury at the end of the current fiscal year; and  
3 (iii) Estimated condition of the treasury at the end of the ensuing fiscal year if the  
4 financial proposals contained in the budget are adopted.

5 (4) All essential facts regarding the bonded and other indebtedness of the state.

6 (5) A report indicating those program revenues and expenditures whose funding source  
7 is proposed to be changed from state appropriations to restricted receipts, or from restricted  
8 receipts to other funding sources.

9 (6) Such other financial statements and data as in the governor's opinion are necessary or  
10 desirable.

11 (b) Any other provision of the general laws to the contrary notwithstanding, the proposed  
12 appropriations submitted by the governor to the general assembly for the next ensuing fiscal year  
13 should not be more than five and one-half percent (5.5%) in excess of total state appropriations,  
14 excluding any estimated supplemental appropriations, enacted by the general assembly for the  
15 fiscal year previous to that for which the proposed appropriations are being submitted; provided,  
16 that the increased state-share provisions required to achieve fifty percent (50%) state financing of  
17 local school operations as provided for in P.L. 1985, ch. 182, shall be excluded from the  
18 definition of total appropriations.

19 (c) Notwithstanding the provisions of ~~subsection~~ § 35-3-7(a), the governor shall submit  
20 to the general assembly a budget for the fiscal year ending June 30, 2006, not later than the fourth  
21 (4th) Thursday in January 2005.

22 (d) Notwithstanding the provisions of ~~subsection~~ § 35-3-7(a), the governor shall submit  
23 to the general assembly a supplemental budget for the fiscal year ending June 30, 2006, and/or a  
24 budget for the fiscal year ending June 30, 2007, not later than Thursday, January 26, 2006.

25 (e) Notwithstanding the provisions of ~~subsection~~ § 35-3-7(a), the governor shall submit  
26 to the general assembly a supplemental budget for the fiscal year ending June 30, 2007, and/or a  
27 budget for the fiscal year ending June 30, 2008, not later than Wednesday, January 31, 2007.

28 (f) Notwithstanding the provisions of ~~subsection~~ § 35-3-7(a), the governor shall submit  
29 to the general assembly a budget for the fiscal year ending June 30, 2012, not later than Thursday,  
30 March 10, 2011.

31 (g) Notwithstanding the provisions of ~~subsection~~ § 35-3-7(a), the governor shall submit  
32 to the general assembly a budget for the fiscal year ending June 30, 2013, not later than Tuesday,  
33 January 31, 2012.

34 SECTION 56. Section 42-6.1-3 of the General Laws in Chapter 42-6.1 entitled



1 "Governor's Commerce and Workforce Coordination Cabinet" is hereby amended to read as  
2 follows:

3 **42-6.1-3. Purpose of cabinet.** -- The governor's commerce and workforce coordinating  
4 cabinet shall provide for the integration and coordination of the activities of the various agencies  
5 and departments that are involved in the development of the Rhode Island economy and its  
6 workforce and ensure the consistent implementation of the economic development policy and  
7 strategic plan developed in accordance with ~~section 42-64.15~~ [§ 42-64.17-1](#).

8 SECTION 57. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video  
9 Lottery Terminal" is hereby amended to read as follows:

10 **42-61.2-7. Division of revenue. [Effective June 30, 2011.]** -- (a) Notwithstanding the  
11 provisions of § 42-61-15, the allocation of net<sub>1</sub> terminal income derived from video lottery games  
12 is as follows:

13 (1) For deposit in the general fund and to the state lottery division fund for  
14 administrative purposes: Net<sub>1</sub> terminal income not otherwise disbursed in accordance with  
15 subdivisions (a)(2) -- (a)(6) ~~herein~~ [inclusive](#);

16 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one  
17 percent (0.19%)<sub>1</sub> up to a maximum of twenty million dollars (\$20,000,000)<sub>1</sub> shall be equally  
18 allocated to the distressed communities as defined in § 45-13-12 provided that no eligible  
19 community shall receive more than twenty-five percent (25%) of that community's currently  
20 enacted municipal budget as its share under this specific subsection. Distributions made under  
21 this specific subsection are supplemental to all other distributions made under any portion of  
22 general laws § 45-13-12. For the fiscal year ending June 30, 2008<sub>1</sub> distributions by community  
23 shall be identical to the distributions made in the fiscal year ending June 30, 2007<sub>1</sub> and shall be  
24 made from general appropriations. For the fiscal year ending June 30, 2009, the total state  
25 distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008<sub>1</sub> and  
26 shall be made from general appropriations. For the fiscal year ending June 30, 2010, the total  
27 state distribution shall be the same total amount distributed in the fiscal year ending June 30,  
28 2009 and shall be made from general appropriations, provided<sub>1</sub> however<sub>1</sub> that [seven hundred](#)  
29 [eighty-four thousand four hundred fifty-eight dollars \(\\$784,458\)](#) ~~\$784,458~~ of the total  
30 appropriation shall be distributed equally to each qualifying distressed community. For each of  
31 the fiscal years ending June 30, 2011, June 30, 2012, and June 30, 2013<sub>1</sub> seven hundred eighty-  
32 four thousand four hundred fifty-eight dollars (\$784,458) of the total appropriation shall be  
33 distributed equally to each qualifying distressed community.

34 (ii) Five one hundredths of one percent (0.05%)<sub>1</sub> up to a maximum of five million dollars

1 (\$5,000,000), shall be appropriated to property tax relief to fully fund the provisions of § 44-33-  
2 2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum  
3 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit  
4 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be  
5 less than the prior fiscal year.

6 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund §44-34.1-1,  
7 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum  
8 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event  
9 shall the exemption in any fiscal year be less than the prior fiscal year.

10 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent  
11 (0.10%), to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to  
12 communities not included in ~~paragraph subsection~~ (a)(1)(i) above distributed proportionately on  
13 the basis of general revenue sharing distributed for that fiscal year. For the fiscal year ending June  
14 30, 2008, distributions by community shall be identical to the distributions made in the fiscal year  
15 ending June 30, 2007, and shall be made from general appropriations. For the fiscal year ending  
16 June 30, 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010, and  
17 thereafter, funding shall be determined by appropriation.

18 (2) To the licensed video lottery retailer:

19 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-  
20 six percent (26%), minus three hundred eighty-four thousand nine hundred ninety-six dollars  
21 (\$384,996);

22 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video  
23 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said  
24 Master Contract, minus three hundred eighty four thousand nine hundred ninety-six dollars  
25 (\$384,996).

26 (iii) Effective July 1, 2013, the rate of net terminal income payable to Newport Grand,  
27 LLC under the Newport Grand ~~Master Contract~~ master contract shall increase by two and one  
28 quarter percent (2.25%) points. The increase herein shall sunset and expire on June 30, 2015, and  
29 the rate in effect as of June 30, 2013, shall be reinstated.

30 (b) (i) Prior to the effective date of the UTGR ~~Master Contract~~ master contract, to the  
31 present licensed video lottery retailer at Lincoln Park, which is not a party to the UTGR, ~~Master~~  
32 ~~Contract~~ master contract, twenty-eight and eighty-five one hundredths percent (28.85%), minus  
33 seven hundred sixty-seven thousand six hundred eighty-seven dollars (\$767,687);

34 (ii) On and after the effective date of the UTGR ~~Master Contract~~ master contract, to the

1 licensed, video-lottery retailer ~~who~~ that is a party to the UTGR ~~Master Contract~~ master contract,  
2 all sums due and payable under said ~~Master Contract~~ master contract minus seven hundred sixty-  
3 seven thousand six hundred eighty-seven dollars (\$767,687).

4 (3) (i) To the technology providers ~~who~~ that are not a party to the GTECH Master  
5 Contract as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the  
6 net, terminal income of the provider's terminals; in addition thereto, technology providers ~~who~~  
7 that provide premium or licensed proprietary content or those games that have unique  
8 characteristics, such as 3D graphics; unique math/game play features; or merchandising elements  
9 to video lottery terminals; may receive incremental compensation, either in the form of a daily fee  
10 or as an increased percentage, if all of the following criteria are met:

11 (A) A licensed, video-lottery retailer has requested the placement of premium or licensed  
12 proprietary content at its licensed, video-lottery facility;

13 (B) The division of lottery has determined in its sole discretion that the request is likely  
14 to increase net, terminal income or is otherwise important to preserve or enhance the  
15 competitiveness of the licensed, video-lottery retailer;

16 (C) After approval of the request by the division of lottery, the total number of premium  
17 or licensed, propriety-content video-lottery terminals does not exceed ten percent (10%) of the  
18 total number of video-lottery terminals authorized at the respective licensed, video-lottery  
19 retailer; and

20 (D) All incremental costs are shared between the division and the respective licensed,  
21 video-lottery retailer based upon their proportionate allocation of net terminal income. The  
22 division of lottery is hereby authorized to amend agreements with the licensed, video-lottery  
23 retailers, or the technology providers, as applicable, to effect the intent herein.

24 (ii) To contractors ~~who~~ that are a party to the ~~Master Contract~~ master contract as set forth  
25 and referenced in Public Law 2003, Chapter 32, all sums due and payable under said ~~Master~~  
26 ~~Contract~~ master contract and;

27 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted  
28 proportionately from the payments to technology providers the sum of six hundred twenty-eight  
29 thousand seven hundred thirty-seven dollars (\$628,737);

30 (4) (A) To the city of Newport one and one hundredth percent (1.01%) of net terminal  
31 income of authorized machines at Newport Grand, except that:

32 (i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and two  
33 tenths percent (1.2%) of net terminal income of authorized machines at Newport Grand for each  
34 week the facility operates video lottery games on a twenty-four (24)-hour basis for all eligible

1 hours authorized; and

2 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Section 1  
3 of Chapters 24 and 25 of the Public Laws of 2012 is approved statewide and in the City of  
4 Newport, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal  
5 income of authorized video lottery terminals at Newport Grand; and

6 (B) To the town of Lincoln one and twenty-six hundredths percent (1.26%) of net  
7 terminal income of authorized machines at Twin River except that;

8 (i) Effective November 9, 2009 until June 30, 2013, the allocation shall be one and forty-  
9 five hundredths percent (1.45%) of net terminal income of authorized machines at Twin River for  
10 each week video lottery games are offered on a twenty-four ~~(24)-hour~~ -hour (24) basis for all  
11 eligible hours authorized; and

12 (ii) Effective July 1, 2013, provided that the referendum measure authorized by Article  
13 25, Chapter 151, Section 4 of the Public Laws of 2011 is approved statewide and in the Town of  
14 Lincoln, the allocation shall be one and forty-five hundredths percent (1.45%) of net terminal  
15 income of authorized video lottery terminals at Twin River; and

16 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net  
17 terminal income of authorized machines at Lincoln Park, up to a maximum of ten million dollars  
18 (\$10,000,000) per year, ~~which that~~ shall be paid to the Narragansett Indian Tribe for the account  
19 of a Tribal Development Fund to be used for the purpose of encouraging and promoting: home  
20 ownership and improvement; elderly housing; adult vocational training; health and social  
21 services; childcare; natural resource protection; and economic development consistent with state  
22 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility  
23 in which the Narragansett Indians are entitled to any payments or other incentives; and provided  
24 further, any monies distributed hereunder shall not be used for, or spent on, previously contracted  
25 debts; and

26 (6) Unclaimed prizes and credits shall remit to the general fund of the state; and

27 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6) shall  
28 be made on an estimated monthly basis. Payment shall be made on the tenth day following the  
29 close of the month except for the last month when payment shall be on the last business day.

30 (b) Notwithstanding the above, the amounts payable by the ~~Division~~ division to UTGR  
31 related to the ~~Marketing Program~~ marketing program shall be paid on a frequency agreed by the  
32 ~~Division~~ division, but no less frequently than annually.

33 (c) Notwithstanding anything in this chapter 61.2 of this title ~~42~~ to the contrary, the  
34 ~~Director~~ director is authorized to fund the ~~Marketing Program~~ marketing program as described

1 above in regard to the ~~First Amendment~~ first amendment to the UTGR Master Contract.

2 (d) Notwithstanding the above, the amounts payable by the ~~Division~~ division to Newport  
3 Grand related to the ~~Marketing Program~~ marketing program shall be paid on a frequency agreed  
4 by the ~~Division~~ division, but no less frequently than annually.

5 (e) Notwithstanding anything in this chapter 61.2 of this title ~~42~~ to the contrary, the  
6 ~~Director~~ director is authorized to fund the ~~Marketing Program~~ marketing program as described  
7 above in regard to the ~~First Amendment~~ first amendment to the Newport Grand Master Contract.

8 (f) Notwithstanding the provisions of § 42-61-15, the allocation of ~~Net Table Game~~  
9 ~~Revenue~~ net, table-game revenue derived from ~~Table Games~~ table-games at Twin River is as  
10 follows:

11 (1) For deposit into the state lottery fund for administrative purposes and then the  
12 balance remaining into the general fund:

13 (i) Sixteen percent (16%) of ~~Net Table Game Revenue~~ net, table-game revenue, except  
14 as provided in ~~subsection § 42-61.2-7~~ (f)(1)(ii);

15 (ii) An additional two percent (2%) of ~~Net Table Game Revenue~~ net, table-game revenue  
16 generated at Twin River shall be allocated starting from the commencement of ~~Table Game~~ table  
17 games activities by such ~~Table Game Retailer~~, table-game retailer and ending, with respect to  
18 such ~~Table Game Retailer~~ table-game retailer, on the first date that such ~~Table Game Retailer's~~  
19 table-game retailer's net terminal income for a full ~~State state~~ fiscal year is less than such ~~Table~~  
20 ~~Game Retailer's~~ table-game retailer's net terminal income for the prior ~~State state~~ fiscal year, at  
21 which point this additional allocation to the ~~State state~~ shall no longer apply to such ~~Table Game~~  
22 ~~Retailer~~ table-game retailer.

23 (2) To UTGR, ~~Net Table Game Revenue~~ net, table-game revenue not otherwise  
24 disbursed pursuant to above subsection (f)(1); provided, however, on the first date that such ~~Table~~  
25 ~~Game Retailer's~~ table-game retailer's net terminal income for a full ~~State state~~ fiscal year is less  
26 than such ~~Table Game Retailer's~~ table-game retailer's net terminal income for the prior ~~State state~~  
27 fiscal year, as set forth in subsection (f)(1)(ii) above, one percent (1%) of this ~~Net Table Game~~  
28 ~~Revenue~~ net, table-game revenue shall be allocated to the town of Lincoln for four (4),  
29 consecutive ~~State state~~ fiscal years.

30 (g) Notwithstanding the provisions of ~~section §~~ 42-61-15, the allocation of ~~Net Table~~  
31 ~~Game Revenue~~ net, table-game revenue derived from ~~Table Games~~ table games at Newport  
32 Grand is as follows:

33 (1) For deposit into the state lottery fund for administrative purposes and then the  
34 balance remaining into the general fund: eighteen percent (18%) of ~~Net Table Game Revenue~~ net,

1 [table-game revenue](#).

2 (2) To Newport Grand LLC, ~~Net Table Game Revenue~~ [net, table-game revenue](#) not  
3 otherwise disbursed pursuant to ~~above-subsection~~ [subsection](#) (g)(1) provided, however, on the  
4 first date that such ~~Table Game Retailer's~~ [table-game retailer's](#) net terminal income for a full ~~State~~  
5 [state](#) fiscal year is less than such ~~Table Game Retailer's~~ [table-game retailer's](#) net terminal income  
6 for the prior ~~State state~~ fiscal year, one percent (1%) of this ~~Net Table Game Revenue~~ [net, table-](#)  
7 [game revenue](#) shall be allocated to the city of Newport for four (4) consecutive ~~State state~~ fiscal  
8 years.

9 SECTION 58. Sections 42-64.13-3 and 42-64.13-10 of the General Laws in Chapter 42-  
10 64.13 entitled "Rhode Island Regulatory Reform Act" are hereby amended to read as follows:

11 **42-64.13-3. Purposes of chapter. [Effective February 1, 2015.]** -- The purposes of this  
12 chapter are to create within the Rhode Island executive office of commerce, the office of  
13 regulatory reform that will facilitate the regular review of Rhode Island's regulatory processes and  
14 permitting procedures; report thereon in an effort to improve them; and assist and facilitate  
15 economic development opportunities within the regulatory and permitting processes and  
16 procedures that exist within Rhode Island state and municipal government.

17 **42-64.13-10. Statewide standards for wetlands and septic disposal.** -- (a) The general  
18 assembly finds and declares:

19 (1) Under ~~section~~ [§](#) 42-17.1-2, the director of the department of environmental  
20 management is charged with regulating septic systems, alterations of freshwater wetlands, and  
21 other activities ~~which~~ [that](#) may impact waters of the state; under chapter ~~46-23~~ [of title 46](#), the  
22 coastal resources management council is charged with regulating alteration of freshwater  
23 wetlands in the vicinity of the coast and other activities that impact coastal resources.

24 (2) The statewide standards established pursuant to these authorities may be inadequate  
25 to protect the natural resources of our state and need to be reevaluated based on current scientific  
26 data.

27 (3) Many municipalities have implemented stricter setback and septic disposal standards  
28 to strengthen protection of critical local environmental resources including groundwater, coastal  
29 and fresh water wetlands, rivers and streams, and drinking supplies.

30 (4) Dissimilar municipal standards have resulted in a land use system wherein local  
31 governments manage watersheds and groundwater aquifers using a variety of methods resulting  
32 in diverse outcomes.

33 (5) The lack of a uniform process tends to burden businesses and property owners that  
34 require a predictable regulatory environment in order to be successful.

1 (6) Clear, predictable, and reliable standards and a regulated process are needed to foster  
2 a business climate that will grow our economy while ensuring the protection of our natural  
3 resources.

4 (b) No later than December 31, 2014, the Rhode Island division of planning, in  
5 consultation with the task force established in subsection (c), shall prepare and submit to the  
6 governor, the senate president, and the speaker of the house a report that is based upon current  
7 science, water resources, and wetlands protection needs, and addresses onsite waste water  
8 treatment system (OWTS) regulation, and watershed planning. The report shall make  
9 recommendations that ensure the protection of this state's natural resources while balancing the  
10 need for economic development and shall:

11 (1) Include an assessment of the adequacy of protection afforded to wetlands and/or  
12 waters of the state under ~~sections §§ 2-1-18 through 2-1-25, subdivisions §§ 42-17.1-2(2) and~~  
13 ~~42-17.1-2(12), and section chapter 46-23 of the general laws~~ title 46;

14 (2) Identify gaps in protection for septic disposal and various wetlands; and

15 (3) Recommend statutory and/or regulatory changes that are required to protect wetlands  
16 statewide, including, that upon the establishment of such standards by the legislature,  
17 municipalities shall not adopt or enforce any local ordinances or requirements for OWTS or  
18 wetland buffers and setbacks that exceed or otherwise conflict with such recommended statewide  
19 standards.

20 (c) The Rhode Island division of planning shall establish a task force and appoint  
21 members thereto representing a balance of the interests to ensure the protection of this state's  
22 natural resources while recognizing the need for economic development, and at a minimum shall  
23 include:

24 (1) The director of the department of environmental management, or designee;

25 (2) The director of the office of regulatory reform, or designee;

26 (3) The executive director of the coastal resources management council, or designee;

27 (4) One representative each from an environmental entity and a builders' trade  
28 association;

29 (5) At least two (2) municipal representatives;

30 (6) At least two (2) representatives from the business community; and

31 (7) At least one civil engineer, or one environmental engineer with experience in OWTS  
32 and wetlands regulation, and one wetlands biologist.

33 (d) Implementation. - The director of the department of environmental management in  
34 consultation with the director of the office of regulatory reform shall submit to the governor, the



1 speaker of the house, and the senate president, proposed legislation establishing statewide  
2 standards identified in the report issued pursuant to subsection (b) no later than January 31, 2015.

3 (e) This section shall not apply to OWTSS maintenance and cesspool phase-outs.

4 SECTION 59. Section 42-64.19-3 of the General Laws in Chapter 42-64.19 entitled  
5 "Executive Office of Commerce" is hereby amended to read as follows:

6 **42-64.19-3. Executive office of commerce. [Effective February 1, 2015.]** -- (a) There is  
7 hereby established within the executive branch of state government an executive office of  
8 commerce effective February 1, 2015, to serve as the principal agency of the executive branch of  
9 state government for managing the promotion of commerce and the economy within the state and  
10 shall have the following powers and duties in accordance with the following schedule:

11 (1) On or about February 1, 2015, to operate functions from the department of business  
12 regulation;

13 (2) On or about April 1, 2015, to operate various divisions and functions from the  
14 department of administration;

15 (3) On or before September 1, 2015, to provide to the Senate and the House of  
16 Representatives a comprehensive study and review of the roles, functions, and programs of the  
17 ~~Department of Administration and the Department of Labor and Training~~ department of  
18 administration and the department of labor and training to devise recommendations and a  
19 business plan for the integration of these entities with the office of the secretary of commerce.  
20 The governor may include such recommendations in the Fiscal Year 2017 budget proposal.

21 (b) In this capacity, the office shall:

22 (1) Lead or assist state departments and coordinate business permitting processes in  
23 order to:

24 (i) Improve the economy, efficiency, coordination, and quality of the business climate in  
25 the state;

26 (ii) Design strategies and implement best practices that foster economic development and  
27 growth of the state's economy;

28 (iii) Maximize and leverage funds from all available public and private sources,  
29 including federal financial participation, grants and awards;

30 (iv) Increase public confidence by conducting customer centric operations whereby  
31 commercial enterprise are supported and provided programs and services that will grow and  
32 nurture the Rhode Island economy; and

33 (v) Be the state's lead agency for economic development.

34 (c) The office shall include the office of regulatory reform and other administration

1 functions which promote, enhance or regulate various service and functions in order to promote  
2 the reform and improvement of the regulatory function of the state.

3 SECTION 60. Sections 42-64.19-6 of the General Laws in Chapter 42-64 entitled  
4 "Executive Office of Commerce" are hereby amended to read as follows:

5 **42-64.19-6. Duties of the secretary. [Effective February 1, 2015.] --** The secretary shall  
6 be subject to the direction and supervision of the governor for the oversight, coordination and  
7 cohesive direction of state economic development activities of the state and in ensuring the laws  
8 are faithfully executed, notwithstanding any law to the contrary. In this capacity, the secretary of  
9 commerce shall be authorized to:

10 (1) Coordinate the administration and financing of various departments or divisions  
11 within the office and to supervise the work of the Rhode Island commerce corporation;

12 (2) Serve as the governor's chief advisor and liaison to federal policymakers on  
13 economic development as well as the principal point of contact in the state on any such related  
14 matters;

15 (3) Review and ensure the coordination of the development of an overarching economic  
16 development plan as produced by the office;

17 (4) Receive from department directors, within the timelines specified, any information  
18 and resources the secretary deems necessary in order to perform the reviews authorized in this  
19 section;

20 (5) Engage in regulatory reform across all state agencies to protect the health and  
21 wellbeing of Rhode Islanders while meeting business needs for a clear, predictable, and reliable  
22 regulatory structure in the state; including the implementation of systems to enhance customer  
23 service by simplifying and expediting state permitting processes;

24 (6) Prepare and submit to the governor, the chairpersons of the house and senate finance  
25 committees, and the caseload estimating conference, by no later than April 15 of each year, a  
26 comprehensive overview of the Rhode Island economy. The secretary shall determine the  
27 contents of the overview and shall determine the important economic data and information that  
28 will inform the governor, and the revenue estimating committee on the economic conditions of  
29 the state and future issues and forward looking projects of the Rhode Island economy;

30 (7) The directors of the departments, as well as local governments and school  
31 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by  
32 providing whatever information and support shall be necessary;

33 (8) Resolve administrative, jurisdictional, operational, program, or policy conflicts  
34 among departments and their executive staffs and make necessary recommendations to the

1 governor;

2 (9) Assure continued progress toward improving the quality, the accountability, and the  
3 efficiency of state-administered programs to support the Rhode Island economy. In this capacity,  
4 the secretary shall:

5 (i) Direct implementation of reforms in the economic development practices of the  
6 departments that streamline and upgrade services, achieve greater economies of scale and  
7 establish the coordinated system of the staff education, cross- training, and career development  
8 services necessary to recruit and retain a highly-skilled, responsive, and engaged workforce;

9 (ii) Encourage departments to utilize consumer-centered approaches to service design  
10 and delivery that expand their capacity to respond efficiently and responsibly to the diverse and  
11 changing needs of the people and communities they serve;

12 (iii) Develop all opportunities to maximize resources by leveraging the state's purchasing  
13 power, centralizing fiscal service functions related to budget, finance, and procurement,  
14 centralizing communication, policy analysis and planning, and information systems and data  
15 management, pursuing alternative funding sources through grants, awards and partnerships and  
16 securing all available federal financial participation for programs and services provided through  
17 the departments; and

18 (iv) Strengthen the financial support system for business and enterprises program  
19 integrity, quality control and collections, and recovery activities by consolidating functions within  
20 the office in a single unit that ensures all affected parties pay their fair share of the cost of  
21 services and are aware of alternative financing.

22 (10) Prepare and integrate comprehensive budgets for the commerce services  
23 departments and functions and duties assigned to the office. The budgets shall be submitted to the  
24 state budget office by the secretary, for consideration by the governor, on behalf of the state's  
25 commerce agencies in accordance with the provisions set forth in ~~section~~ § 35-3-4 of the Rhode  
26 Island general laws.

27 (11) Utilize objective data to evaluate economic development policy goals, resource use  
28 and outcome evaluation and to perform short and long-term policy planning and development;

29 (12) Establishment of an integrated approach to interdepartmental information and data  
30 management that complements and furthers the goals of the council of economic advisors and  
31 that will facilitate the transition to consumer-centered system of state administered economic  
32 development programs and services;

33 (13) At the direction of the governor or the general assembly, conduct independent  
34 reviews of state-administered economic development programs, policies and related agency

1 actions and activities and assist the department directors in identifying strategies to address any  
2 issues or areas of concern that may emerge thereof. The department directors shall provide any  
3 information and assistance deemed necessary by the secretary when undertaking such  
4 independent reviews;

5 (14) Provide regular and timely reports to the governor and make recommendations with  
6 respect to the state's economic development agenda;

7 (15) Employ such personnel and contract for such consulting services as may be required  
8 to perform the powers and duties lawfully conferred upon the secretary; and

9 (16) Implement the provisions of any general or public law or regulation related to the  
10 disclosure, confidentiality and privacy of any information or records, in the possession or under  
11 the control of the executive office or the departments assigned to the executive office, that may be  
12 developed or acquired for purposes directly connected with the secretary's duties set forth herein.

13 Section 61. Sections 42-102-2, 42-102-3 and 42-102-6 of the General Laws in Chapter  
14 42-102 entitled "Rhode Island Human Resources Investment Council" are hereby amended to  
15 read as follows:

16 **42-102-2. Composition of council. [Effective February 1, 2015.]** -- The council shall be  
17 composed of fifteen (15) members; the secretary of commerce, who shall be vice-chair, twelve  
18 (12) members appointed by the governor; with the advice and consent of the senate; at least four  
19 (4) of whom shall be women; at least three (3) of whom shall be from minority communities;  
20 and at least one of whom shall be a person with disabilities, as follows:

21 (1) One shall be appointed by the governor to serve as chairperson of the council;

22 (2) Five (5) shall be appointed by the governor from the employer community, in a  
23 manner that is representative of employers of different sizes and sectors, including the nonprofit  
24 sector; provided, however, that in the event that there is established a state workforce investment  
25 board that is separate and distinct from the council, then one of the five (5) representatives of the  
26 employer community shall be the chairperson of the state work force investment board, and if all  
27 employer community appointments have been duly made and are filled, then the appointed  
28 chairperson of the state workforce investment board shall be made with the next available  
29 appointment of a representative of the employer community;

30 (3) Four (4) members from organized labor shall be appointed by the governor;

31 (4) Two (2) members from community-based organizations shall be appointed by the  
32 governor;

33 (5) The president of the senate and the speaker of the house shall appoint one individual  
34 each from their respective chambers to be members of the council.

1           **42-102-3. Officers. [Effective until February 1, 2015.]** -- (a) The position of  
2 chairperson shall be unpaid and the individual ~~that~~ who is appointed chairperson shall serve a  
3 three-(3) year term. The governor may reappoint the individual appointed chairperson to serve  
4 another three-(3) year term. The council shall elect from its own members a vice-chairperson,  
5 who is authorized to preside over meetings in the absence of the chairperson.

6           (b) Executive director. - The council, in consultation with the governor, shall appoint an  
7 executive director who shall serve at the pleasure of the council, provided that the executive  
8 director's initial engagement by the council shall be for a period of not more than three (3) years.  
9 The position of executive director shall be in the unclassified service of the state and he or she  
10 shall serve as the chief executive officer of the council.

11           **42-102-3. Officers. [Effective February 1, 2015.]** -- (a) The position of chairperson  
12 shall be unpaid and the individual ~~that~~ who is appointed chairperson shall serve a three-(3) year  
13 term. The governor may reappoint the individual appointed chairperson to serve another three-(3)  
14 year term.

15           (b) The secretary of commerce shall be vice-chair, and is authorized to preside over  
16 meetings in the absence of the chairperson.

17           (c) Executive director. - The council, in consultation with the governor, shall appoint an  
18 executive director who shall serve at the pleasure of the council, provided that the executive  
19 director's initial engagement by the council shall be for a period of not more than three (3) years.  
20 The position of executive director shall be in the unclassified service of the state and he or she  
21 shall serve as the chief executive officer of the council.

22           **42-102-6. Duties. [Effective February 1, 2015.]** -- (a) The council shall meet with other  
23 entities involved with vocational education, labor, and training and shall be responsible for the  
24 planning of labor and training activities to ensure that a comprehensive and cohesive plan is  
25 developed. The council shall take into consideration the needs of all segments of the state's  
26 citizenry in establishing goals and training objectives.

27           (b) The council shall establish policy to ensure the effectiveness and efficiency of  
28 programs and activities as they pertain to labor and training, including the workforce needs of  
29 state employers.

30           (c) The council shall provide funding for special projects that will increase and improve  
31 the skill base of Rhode Island's workforce. The council shall take into account labor market  
32 information from the Rhode Island economic development corporation to help establish training  
33 needs. In addition, the council shall have the following responsibilities:

34           (1) Prepare and submit by September 1, 1992, and thereafter annually, a proposed budget

1 for the ensuing year for the governor's approval;

2 (2) The auditor general shall conduct annual audits of all financial accounts and any  
3 other audits that he or she shall deem necessary.

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

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

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

15 (6) Within ninety (90) days after the end of each fiscal year, the council shall approve  
16 and submit an annual report to the governor, the speaker of the house, the president of the senate,  
17 and the secretary of state, of its activities during the fiscal year. The report shall provide: an  
18 operating statement summarizing meetings or hearings held; meeting minutes if requested;  
19 subjects addressed; decisions rendered; rules and regulations promulgated; studies conducted;  
20 policies and plans developed, approved or modified; and programs administered or initiated; a  
21 consolidated financial statement of all funds received and expended including the source of funds,  
22 a listing of any staff supported by these funds, and a summary of clerical, administrative,  
23 professional or technical reports received; a summary of performance during the previous fiscal  
24 year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints,  
25 suspensions or other legal matters related to the authority of the council; a summary of any  
26 training courses held pursuant to ~~subsection~~ § 42-102-2(c); a briefing on anticipated activities in  
27 the upcoming fiscal year; and findings and recommendations for improvement. The report, within  
28 thirty (30) days of its completion, shall be posted electronically on the general assembly and  
29 secretary of state's websites. The director of the department of administration shall be responsible  
30 for the

31 SECTION 62. Section 42-142-6 of the General Laws in Chapter 42-142 entitled  
32 "Department of Revenue" is hereby amended to read as follows:

33 **42-142-6. Annual unified economic development report.** -- (a) The director of the  
34 department of revenue shall, no later than January 15th of each state fiscal year, compile and

1 publish, in printed and electronic form, including on the ~~Internet~~ [internet](#), an annual unified  
2 economic development report ~~which~~ [that](#) shall provide the following comprehensive information  
3 regarding the tax credits or other tax benefits conferred pursuant to §§ 42-64-10, 44-63-3, 42-  
4 64.5-5, 42-64.3-1, and 44-31.2-6.1 during the preceding fiscal year:

5 (1) The name of each recipient of any such tax credit or other tax benefit; the dollar  
6 amount of each such tax credit or other tax benefit; and summaries of the number of full-time and  
7 part-time jobs created or retained; ~~;~~ an overview of benefits offered, and the degree to which job  
8 creation and retention, wage, ~~;~~ and benefit goals and requirements of recipient and related  
9 corporations, if any, have been met. The report shall include aggregate dollar amounts of each  
10 category of tax credit or other tax benefit; to the extent possible, the amounts of tax credits and  
11 other tax benefits by geographical area; the number of recipients within each category of tax  
12 credit or retained; ~~;~~ overview of benefits offered; ~~;~~ and the degree to which job creation and  
13 retention, wage and benefit rate goals and requirements have been met within each category of  
14 tax credit or other tax benefit;

15 (2) The cost to the state and the approving agency for each tax credit or other tax benefits  
16 conferred pursuant to §§ 42-64-10, 44-63-3, 42-64.5-5, 42-64.3-1, and 44-31.2-6.1 during the  
17 preceding fiscal year;

18 (3) To the extent possible, the amounts of tax credits and other tax benefits by  
19 geographical area;

20 (4) The extent to which any employees of and recipients of any such tax credits or other  
21 tax benefits has received RIte Care or RIte Share benefits or assistance; and

22 (5) To the extent the data exists, a cost-benefit analysis prepared by the office of revenue  
23 analysis based upon the collected data under ~~sections~~ [§§](#) 42-64-10, 44-63-3, 42-64.5-5, 42-64-3.1,  
24 and 44-31.2-6.1, and required for the preparation of the unified economic development report.  
25 The cost-benefit analysis may include, but shall not be limited to, the cost to the state for the  
26 ~~revenues~~ revenue reductions; ~~;~~ cost to administer the credit; ~~;~~ projected revenues gained from the  
27 credit; ~~;~~ and other metrics ~~which~~ [that](#) can be measured along with a baseline assessment of the  
28 original intent of the legislation. The office of revenue analysis shall also indicate the purpose of  
29 the credit to the extent that it is provided in the enabling legislation, or note the absence of such  
30 information, and any measureable goals established by the granting authority of the credit. Where  
31 possible, the analysis shall cover a five ~~(5)-year~~ [- year \(5\)](#) period projecting the cost and benefits  
32 over this period. The office of revenue analysis may utilize outside services or sources for  
33 development of the methodology and modeling techniques. The unified economic development  
34 report shall include the cost-benefit analysis starting January 15, 2014. The office of revenue



1 analysis shall work in ~~conjunction~~ conjunction with Rhode Island economic development  
2 corporation as established by chapter ~~42-64~~ of this title.

3 (b) After the initial report, the division of taxation will perform reviews of each recipient  
4 of this tax credit or other tax benefits to ensure the accuracy of the employee data submitted. The  
5 division of taxation will include a summary of the reviews performed, along with any  
6 adjustments, modifications, and/or allowable recapture of tax credit amounts and data included on  
7 prior year reports.

8 SECTION 63. Sections 44-18-15.2, 44-18-18, 44-18-18.1, 44-18-20 and 44-18-30 of the  
9 General Laws in Chapter 44-18 entitled "Sales and Use Taxes - Liability and Computation" are  
10 hereby amended to read as follows:

11 **44-18-15.2. "Remote seller" and "remote sale" defined -- Collection of sales and use**  
12 **tax by remote seller.** -- (a) As used in this ~~article~~ section:

13 (1) "Remote seller" means a person ~~that~~ who makes remote sales in this state.

14 (2) "Remote sale" means a sale into this state for which the seller would not legally be  
15 required to pay, collect, or remit state or local sales and use taxes unless provided by federal law.

16 ~~(e)~~(b) Upon passage of any federal law authorizing states to require remote sellers to  
17 collect and remit sales and use taxes, this state will require a remote seller making remote sales in  
18 the state to pay, collect, and remit sales and use taxes at the rate imposed under ~~section~~ § 44-18-  
19 18, and in accordance with the provisions of this article, chapters ~~44-18-1~~ 18.1 and ~~44-19~~ 19 of  
20 this title, and applicable federal law.

21 **44-18-18. Sales tax imposed.** -- A tax is imposed upon sales at retail in this state  
22 including charges for rentals of living quarters in hotels as defined in ~~section~~ § 42-63.1-2,  
23 rooming houses, or tourist camps, at the rate of six percent (6%) of the gross receipts of the  
24 retailer from the sales or rental charges; provided, that the tax imposed on charges for the rentals  
25 applies only to the first period of not exceeding thirty (30) consecutive calendar days of each  
26 rental; provided, further, that for the period commencing July 1, 1990, the tax rate is seven  
27 percent (7%). The tax is paid to the tax administrator by the retailer at the time and in the manner  
28 provided. Excluded from this tax are those living quarters in hotels, rooming houses, or tourist  
29 camps for which the occupant has a written lease for the living quarters which lease covers a  
30 rental period of twelve (12) months or more. In recognition of the work being performed by the  
31 ~~Streamlined Sales and Use Tax Governing Board~~ streamlined sales and use tax governing board,  
32 upon passage of any federal law ~~which~~ that authorizes states to require remote sellers to collect  
33 and remit sales and use taxes, the rate imposed under this section ~~44-18-18~~ shall be reduced from  
34 seven percent (7%) to six and one-half percent (6.5%). The six and one-half percent (6.5%) rate

1 shall take effect on the date that the state requires remote sellers to collect and remit sale and use  
2 taxes.

3 **44-18-18.1. Local meals and beverage tax.** -- (a) There is hereby levied and imposed,  
4 upon every purchaser of a meal and/or beverage, in addition to all other taxes and fees now  
5 imposed by law, a local meals and beverage tax upon each and every meal and/or beverage sold  
6 within the state of Rhode Island in or from an eating and/or drinking establishment, whether  
7 prepared in the eating and/or drinking establishment or not and whether consumed at the premises  
8 or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator  
9 by the retailer at the time and in the manner provided.

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

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

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

16 (2) "Eating and/or drinking ~~establishments~~ establishment" ~~mean~~ means and ~~include~~  
17 includes restaurants, bars, taverns, lounges, cafeterias, lunch counters, drive-ins, roadside ice  
18 cream and refreshment stands, fish-and-chip places, fried chicken places, pizzerias, food-and-  
19 drink concessions, or similar facilities in amusement parks, bowling alleys, clubs, caterers, drive-  
20 in theatres, industrial plants, race tracks, shore resorts or other locations, lunch carts, mobile  
21 canteens and other similar vehicles, and other like places of business ~~which~~ that furnish or  
22 provide facilities for immediate consumption of food at tables, chairs, or counters or from trays,  
23 plates, cups, or other tableware, or in parking facilities provided primarily for the use of patrons  
24 in consuming products purchased at the location. Ordinarily, eating ~~establishments~~ establishment  
25 ~~do~~ does not mean and include food stores and supermarkets. Eating establishments ~~do~~ does not  
26 mean "vending machines," a self-contained automatic device that dispenses for sale foods,  
27 beverages, or confection products. Retailers selling prepared foods in bulk, either in customer-  
28 furnished containers or in the seller's containers, for example "Soup and Sauce" establishments,  
29 are deemed to be selling prepared foods ordinarily for immediate consumption and, as such, are  
30 considered eating establishments.

31 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating  
32 and/or drinking establishment for the purpose of being consumed by any person to satisfy the  
33 appetite and ~~which~~ that is ready for immediate consumption. All such food and beverage, unless  
34 otherwise specifically exempted or excluded herein shall be included, whether intended to be

1 consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack,  
2 dinner, supper, or by some other name, and without regard to the manner, time, or place of  
3 service.

4 (d) This local meals and beverage tax shall be administered and collected by the division  
5 of taxation and, unless provided to the contrary in this chapter, all of the administration,  
6 collection, and other provisions of chapters 18 and 19 of this ~~article~~ title apply.

7 In recognition of the work being performed by the ~~Streamlined Sales and Use Tax~~  
8 ~~Governing Board~~ streamlined sales and use tax governing board, upon passage of any federal law  
9 ~~which that~~ that authorizes states to require remote sellers to collect and remit sales and use taxes, the  
10 rate imposed under ~~section 44-18-18.1~~ this section shall be increased from one percent (1%) to  
11 one and one-half percent (1.5%). The one and one-half percent (1.5%) rate shall take effect on the  
12 date that the state requires remote sellers to collect and remit sales and use taxes.

13 **44-18-20. Use tax imposed.** -- (a) An excise tax is imposed on the storage, use, or other  
14 consumption in this state of tangible personal property; ~~;~~ prewritten computer software delivered  
15 electronically or by load and leave; ~~;~~ or services as defined in ~~section § 44-18-7.3;~~ including a  
16 motor vehicle, a boat, an airplane, or a trailer, purchased from any retailer at the rate of six  
17 percent (6%) of the sale price of the property.

18 (b) An excise tax is imposed on the storage, use, or other consumption in this state of a  
19 motor vehicle, a boat, an airplane, or a trailer purchased from other than a licensed motor vehicle  
20 dealer or other than a retailer of boats, airplanes, or trailers respectively, at the rate of six percent  
21 (6%) of the sale price of the motor vehicle, boat, airplane, or trailer.

22 (c) The word "trailer," as used in this section and in ~~section § 44-18-21,~~ means and  
23 includes those defined in ~~section § 31-1-5(a) -- (e)~~ and also includes boat trailers, camping  
24 trailers, house trailers, and mobile homes.

25 (d) Notwithstanding the provisions contained in this section and in ~~section § 44-18-21~~  
26 relating to the imposition of a use tax and liability for this tax on certain casual sales, no tax is  
27 payable in any casual sale:

28 (1) When the transferee or purchaser is the spouse, mother, father, brother, sister, or  
29 child of the transferor or seller;

30 (2) When the transfer or sale is made in connection with the organization, reorganization,  
31 dissolution, or partial liquidation of a business entity; ~~;~~ provided:

32 (i) The last taxable sale, transfer, or use of the article being transferred or sold was  
33 subjected to a tax imposed by this chapter;

34 (ii) The transferee is the business entity referred to or is a stockholder, owner, member,

1 or partner; and

2 (iii) Any gain or loss to the transferor is not recognized for income tax purposes under  
3 the provisions of the federal income tax law and treasury regulations and rulings issued  
4 thereunder;

5 (3) When the sale or transfer is of a trailer, other than a camping trailer, of the type  
6 ordinarily used for residential purposes and commonly known as a house trailer or as a mobile  
7 home; or

8 (4) When the transferee or purchaser is exempt under the provisions of ~~section~~ § 44-18-  
9 30 or other general law of this state or special act of the general assembly of this state.

10 (e) The term "casual" means a sale made by a person other than a retailer; provided, that  
11 in the case of a sale of a motor vehicle, the term means a sale made by a person other than a  
12 licensed motor vehicle dealer or an auctioneer at an auction sale. In no case is the tax imposed  
13 under the provisions of subsections (a) and (b) of this section on the storage, use, or other  
14 consumption in this state of a used motor vehicle less than the product obtained by multiplying  
15 the amount of the retail dollar value at the time of purchase of the motor vehicle by the applicable  
16 tax rate; provided, that where the amount of the sale price exceeds the amount of the retail dollar  
17 value, the tax is based on the sale price. The tax administrator shall use as his or her guide the  
18 retail dollar value as shown in the current issue of any nationally recognized, used-vehicle guide  
19 for appraisal purposes in this state. On request within thirty (30) days by the taxpayer after  
20 payment of the tax, if the tax administrator determines that the retail dollar value as stated in this  
21 subsection is inequitable or unreasonable, he or she shall, after affording the taxpayer reasonable  
22 opportunity to be heard, re-determine the tax.

23 (f) Every person making more than five (5) retail sales of tangible personal property or  
24 prewritten computer software delivered electronically or by load and leave, or services as defined  
25 in ~~section~~ § 44-18-7.3 during any ~~(12)-month~~ twelve-month (12) period, including sales made in  
26 the capacity of assignee for the benefit of creditors or receiver or trustee in bankruptcy, is  
27 considered a retailer within the provisions of this chapter.

28 (g) (1) "Casual sale" includes a sale of tangible personal property not held or used by a  
29 seller in the course of activities for which the seller is required to hold a seller's permit or permits  
30 or would be required to hold a seller's permit or permits if the activities were conducted in this  
31 state; provided, that the sale is not one of a series of sales sufficient in number, scope, and  
32 character (more than five (5) in any ~~(12)-month~~ twelve-month (12) period) to constitute an  
33 activity for which the seller is required to hold a seller's permit or would be required to hold a  
34 seller's permit if the activity were conducted in this state.

1 (2) Casual sales also include sales made at bazaars, fairs, picnics, or similar events by  
2 nonprofit organizations, ~~which~~ that are organized for charitable, educational, civic, religious,  
3 social, recreational, fraternal, or literary purposes during two (2) events not to exceed a total of  
4 six (6) days duration each calendar year. Each event requires the issuance of a permit by the  
5 division of taxation. Where sales are made at events by a vendor, ~~which~~ that holds a sales tax  
6 permit and is not a nonprofit organization, the sales are in the regular course of business and are  
7 not exempt as casual sales.

8 (h) The use tax imposed under this section for the period commencing July 1, 1990, is at  
9 the rate of seven percent (7%). In recognition of the work being performed by the ~~Streamlined~~  
10 ~~Sales and Use Tax Governing Board~~ streamlined sales and use tax governing board, upon passage  
11 of any federal law ~~which~~ that authorizes states to require remote sellers to collect and remit sales  
12 and use taxes, effective the first (1st) day of the first (1st) state fiscal quarter following the  
13 change, the rate imposed under ~~section §~~ 44-18-18 shall be reduced from seven percent (7.0%) to  
14 six and one-half percent (6.5%). The six and one-half percent (6.5%) rate shall take effect on the  
15 date that the state requires remote sellers to collect and remit sales and use taxes.

16 **44-18-30. Gross receipts exempt from sales and use taxes.** -- There are exempted from  
17 the taxes imposed by this chapter the following gross receipts:

18 (1) Sales and uses beyond constitutional power of state. - From the sale and from the  
19 storage, use, or other consumption in this state of tangible personal property the gross receipts  
20 from the sale of which, or the storage, use, or other consumption of which, this state is prohibited  
21 from taxing under the Constitution of the United States or under the constitution of this state.

22 (2) Newspapers.

23 (i) From the sale and from the storage, use, or other consumption in this state of any  
24 newspaper.

25 (ii) "Newspaper" means an unbound publication printed on newsprint, ~~which~~ that  
26 contains news, editorial comment, opinions, features, advertising matter, and other matters of  
27 public interest.

28 (iii) "Newspaper" does not include a magazine, handbill, circular, flyer, sales catalog, or  
29 similar item unless the item is printed for and distributed as a part of a newspaper.

30 (3) School meals. - From the sale and from the storage, use, or other consumption in this  
31 state of meals served by public, private, or parochial schools, school districts, colleges,  
32 universities, student organizations, and parent-teacher associations to the students or teachers of a  
33 school, college, or university whether the meals are served by the educational institutions or by a  
34 food service or management entity under contract to the educational institutions.

1 (4) Containers.

2 (i) From the sale and from the storage, use, or other consumption in this state of:

3 (A) Non-returnable containers, including boxes, paper bags, and wrapping materials  
4 ~~which~~ that are biodegradable and all bags and wrapping materials utilized in the medical and  
5 healing arts, when sold without the contents to persons who place the contents in the container  
6 and sell the contents with the container.

7 (B) Containers when sold with the contents if the sale price of the contents is not  
8 required to be included in the measure of the taxes imposed by this chapter.

9 (C) Returnable containers when sold with the contents in connection with a retail sale of  
10 the contents or when resold for refilling.

11 (ii) As used in this subdivision, the term "returnable containers" means containers of a  
12 kind customarily returned by the buyer of the contents for reuse. All other containers are "non-  
13 returnable containers."

14 (5) (i) Charitable, educational, and religious organizations. - From the sale to, as in  
15 defined in this section, and from the storage, use, and other consumption in this state or any other  
16 state of the United States of America of tangible personal property by hospitals not operated for a  
17 profit; "educational institutions" as defined in subdivision (18) not operated for a profit;  
18 churches, orphanages, and other institutions or organizations operated exclusively for religious or  
19 charitable purposes; interest-free loan associations not operated for profit; nonprofit organized  
20 sporting leagues and associations and bands for boys and girls under the age of nineteen (19)  
21 years; the following vocational student organizations that are state chapters of national  
22 vocational students organizations: Distributive Education Clubs of America (DECA); Future  
23 Business Leaders of America, ~~phi-beta-lambda~~ Phi Beta Lambda (FBLA/PBL); Future Farmers of  
24 America (FFA); Future Homemakers of America/Home Economics Related Occupations  
25 (FHA/HERD); ~~and~~ Vocational Industrial Clubs of America (VICA); organized nonprofit golden  
26 age and senior citizens clubs for men and women; and parent-teacher associations.

27 (ii) In the case of contracts entered into with the federal government, its agencies or  
28 instrumentalities, this state or any other state of the United States of America, its agencies, any  
29 city, town, district, or other political subdivision of the states; hospitals not operated for profit;  
30 educational institutions not operated for profit; churches, orphanages, and other institutions or  
31 organizations operated exclusively for religious or charitable purposes; the contractor may  
32 purchase such materials and supplies (materials and/or supplies are defined as those ~~which~~ that  
33 are essential to the project) that are to be utilized in the construction of the projects being  
34 performed under the contracts without payment of the tax.

1 (iii) The contractor shall not charge any sales or use tax to any exempt agency,  
2 institution, or organization but shall in that instance provide his or her suppliers with certificates  
3 in the form as determined by the division of taxation showing the reason for exemption; and the  
4 contractor's records must substantiate the claim for exemption by showing the disposition of all  
5 property so purchased. If any property is then used for a nonexempt purpose, the contractor must  
6 pay the tax on the property used.

7 (6) Gasoline. - From the sale and from the storage, use, or other consumption in this state  
8 of: (i) gasoline and other products taxed under chapter 36 of title 31; and (ii) fuels used for the  
9 propulsion of airplanes.

10 (7) Purchase for manufacturing purposes.

11 (i) From the sale and from the storage, use, or other consumption in this state of  
12 computer software, tangible personal property, electricity, natural gas, artificial gas, steam,  
13 refrigeration, and water, when the property or service is purchased for the purpose of being  
14 manufactured into a finished product for resale; and becomes an ingredient, component, or  
15 integral part of the manufactured, compounded, processed, assembled, or prepared product, or if  
16 the property or service is consumed in the process of manufacturing for resale computer software,  
17 tangible personal property, electricity, natural gas, artificial gas, steam, refrigeration, or water.

18 (ii) "Consumed" means destroyed, used up, or worn out to the degree or extent that the  
19 property cannot be repaired, reconditioned, or rendered fit for further manufacturing use.

20 (iii) "Consumed" includes mere obsolescence.

21 (iv) "Manufacturing" means and includes manufacturing, compounding, processing,  
22 assembling, preparing, or producing.

23 (v) "Process of manufacturing" means and includes all production operations performed  
24 in the producing or processing room, shop, or plant, insofar as the operations are a part of and  
25 connected with the manufacturing for resale of tangible personal property, electricity, natural gas,  
26 artificial gas, steam, refrigeration, or water and all production operations performed insofar as the  
27 operations are a part of and connected with the manufacturing for resale of computer software.

28 (vi) "Process of manufacturing" does not mean or include administration operations such  
29 as general office operations, accounting, collection, ~~or~~ sales promotion, nor does it mean or  
30 include distribution operations ~~which~~ that occur subsequent to production operations, such as  
31 handling, storing, selling, and transporting the manufactured products, even though the  
32 administration and distribution operations are performed by, or in connection with, a  
33 manufacturing business.

34 (8) State and political subdivisions. - From the sale to, and from the storage, use, or other



1 consumption by, this state, any city, town, district, or other political subdivision of this state.  
2 Every redevelopment agency created pursuant to chapter 31 of title 45 is deemed to be a  
3 subdivision of the municipality where it is located.

4 (9) Food and food ingredients. - From the sale and storage, use, or other consumption in  
5 this state of food and food ingredients as defined in ~~section~~ § 44-18-7.1(l).

6 For the purposes of this exemption "food and food ingredients" shall not include candy,  
7 soft drinks, dietary supplements, alcoholic beverages, tobacco, food sold through vending  
8 machines, or prepared food, (as those terms are defined in ~~section~~ § 44-18-7.1, unless the  
9 prepared food is:

10 (i) Sold by a seller whose primary NAICS classification is manufacturing in sector 311,  
11 except sub-sector 3118 (bakeries);

12 (ii) Sold in an unheated state by weight or volume as a single item;

13 (iii) Bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries,  
14 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas; and

15 is not sold with utensils provided by the seller, including plates, knives, forks, spoons,  
16 glasses, cups, napkins, or straws.

17 (10) Medicines, drugs, and durable medical equipment. - From the sale and from the  
18 storage, use, or other consumption in this state, of;

19 (i) "Drugs" as defined in ~~section~~ § 44-18-7.1(h)(i), sold on prescriptions, medical  
20 oxygen, and insulin whether or not sold on prescription. For purposes of this exemption drugs  
21 shall not include over-the-counter drugs and grooming and hygiene products as defined in ~~section~~  
22 § 44-18-7.1(h)(iii).

23 (ii) Durable medical equipment as defined in ~~section~~ § 44-18-7.1(k) for home use only,  
24 including, but not limited to, syringe infusers, ambulatory drug delivery pumps, hospital beds,  
25 convalescent chairs, and chair lifts. Supplies used in connection with syringe infusers and  
26 ambulatory drug delivery pumps ~~which that~~ are sold on prescription to individuals to be used by  
27 them to dispense or administer prescription drugs, and related ancillary dressings and supplies  
28 used to dispense or administer prescription drugs, shall also be exempt from tax.

29 (11) Prosthetic devices and mobility enhancing equipment. - From the sale and from the  
30 storage, use, or other consumption in this state, of prosthetic devices as defined in ~~section~~ § 44-  
31 18-7.1(t), sold on prescription, including, but not limited to: artificial limbs, dentures, spectacles,  
32 ~~and~~ eyeglasses, and artificial eyes; artificial hearing devices and hearing aids, whether or not sold  
33 on prescription; and mobility enhancing equipment as defined in ~~section~~ § 44-18-7.1(p), including  
34 wheelchairs, crutches and canes.

1 (12) Coffins, caskets, and burial garments. - From the sale and from the storage, use, or  
2 other consumption in this state of coffins or caskets, and shrouds or other burial garments ~~which~~  
3 that are ordinarily sold by a funeral director as part of the business of funeral directing.

4 (13) Motor vehicles sold to nonresidents.

5 (i) From the sale, subsequent to June 30, 1958, of a motor vehicle to a bona fide  
6 nonresident of this state who does not register the motor vehicle in this state, whether the sale or  
7 delivery of the motor vehicle is made in this state or at the place of residence of the nonresident.  
8 A motor vehicle sold to a bona fide nonresident whose state of residence does not allow a like  
9 exemption to its nonresidents is not exempt from the tax imposed under ~~section~~ § 44-18-20. In  
10 that event, the bona fide nonresident pays a tax to Rhode Island on the sale at a rate equal to the  
11 rate that would be imposed in his or her state of residence not to exceed the rate that would have  
12 been imposed under ~~section~~ § 44-18-20. Notwithstanding any other provisions of law, a licensed  
13 motor vehicle dealer shall add and collect the tax required under this subdivision and remit the tax  
14 to the tax administrator under the provisions of chapters 18 and 19 of this title. When a Rhode  
15 Island licensed, motor vehicle dealer is required to add and collect the sales and use tax on the  
16 sale of a motor vehicle to a bona fide nonresident as provided in this section, the dealer in  
17 computing the tax takes into consideration the law of the state of the nonresident as it relates to  
18 the trade-in of motor vehicles.

19 (ii) The tax administrator, in addition to the provisions of ~~sections~~ §§ 44-19-27 and 44-  
20 19-28, may require any licensed motor vehicle dealer to keep records of sales to bona fide  
21 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption  
22 provided in this subdivision, including the affidavit of a licensed motor vehicle dealer that the  
23 purchaser of the motor vehicle was the holder of, and had in his or her possession a valid out of  
24 state motor vehicle registration or a valid out of state driver's license.

25 (iii) Any nonresident who registers a motor vehicle in this state within ninety (90) days  
26 of the date of its sale to him or her is deemed to have purchased the motor vehicle for use,  
27 storage, or other consumption in this state, and is subject to, and liable for, the use tax imposed  
28 under the provisions of ~~section~~ § 44-18-20.

29 (14) Sales in public buildings by blind people. - From the sale and from the storage, use,  
30 or other consumption in all public buildings in this state of all products or wares by any person  
31 licensed under ~~section~~ § 40-9-11.1.

32 (15) Air and water pollution control facilities. - From the sale, storage, use, or other  
33 consumption in this state of tangible personal property or supplies acquired for incorporation into  
34 or used and consumed in the operation of a facility, the primary purpose of which is to aid in the

1 control of the pollution or contamination of the waters or air of the state, as defined in chapter 12  
2 of title 46 and chapter 25 of title 23, respectively, and ~~which~~ that has been certified as approved  
3 for that purpose by the director of environmental management. The director of environmental  
4 management may certify to a portion of the tangible personal property or supplies acquired for  
5 incorporation into those facilities or used and consumed in the operation of those facilities to the  
6 extent that that portion has as its primary purpose the control of the pollution or contamination of  
7 the waters or air of this state. As used in this subdivision, "facility" means any land, facility,  
8 device, building, machinery, or equipment.

9 (16) Camps. - From the rental charged for living quarters, or sleeping, or housekeeping  
10 accommodations at camps or retreat houses operated by religious, charitable, educational, or  
11 other organizations and associations mentioned in subdivision (5), or by privately owned and  
12 operated summer camps for children.

13 (17) Certain institutions. - From the rental charged for living or sleeping quarters in an  
14 institution licensed by the state for the hospitalization, custodial, or nursing care of human beings.

15 (18) Educational institutions. - From the rental charged by any educational institution for  
16 living quarters, or sleeping, or housekeeping accommodations or other rooms or accommodations  
17 to any student or teacher necessitated by attendance at an educational institution. "Educational  
18 institution" as used in this section means an institution of learning not operated for profit ~~which~~  
19 that is empowered to confer diplomas, educational, literary, or academic degrees; ~~which~~ that has  
20 a regular faculty, curriculum, and organized body of pupils or students in attendance throughout  
21 the usual school year; ~~which~~ that keeps and furnishes to students and others records required and  
22 accepted for entrance to schools of secondary, collegiate, or graduate rank; ~~and~~ no part of the net  
23 earnings of which inures to the benefit of any individual.

24 (19) Motor vehicle and adaptive equipment for persons with disabilities.

25 (i) From the sale of: (A) ~~special~~ Special adaptations; (B) ~~the~~ The component parts of the  
26 special adaptations; or (C) ~~a~~ A specially adapted motor vehicle; provided, that the owner  
27 furnishes to the tax administrator an affidavit of a licensed physician to the effect that the  
28 specially adapted motor vehicle is necessary to transport a family member with a disability or  
29 where the vehicle has been specially adapted to meet the specific needs of the person with a  
30 disability. This exemption applies to not more than one motor vehicle owned and registered for  
31 personal, noncommercial use.

32 (ii) For the purpose of this subsection the term "special adaptations" includes, but is not  
33 limited to: wheelchair lifts; wheelchair carriers; wheelchair ramps; wheelchair securements;  
34 hand controls; steering devices; extensions, relocations, and crossovers of operator controls;

1 power-assisted controls; raised tops or dropped floors; raised entry doors; or alternative  
2 signaling devices to auditory signals.

3 (iii) From the sale of: (a) special adaptations, (b) the component parts of the special  
4 adaptations, for a "wheelchair accessible taxicab" as defined in ~~section~~ [§ 39-14-1](#), and/or a  
5 "wheelchair accessible public motor vehicle" as defined in ~~section~~ [§ 39-14.1-1](#).

6 (iv) For the purpose of this subdivision the exemption for a "specially adapted motor  
7 vehicle" means a use tax credit not to exceed the amount of use tax that would otherwise be due  
8 on the motor vehicle, exclusive of any adaptations. The use tax credit is equal to the cost of the  
9 special adaptations, including installation.

10 (20) Heating fuels. - From the sale and from the storage, use, or other consumption in  
11 this state of every type of fuel used in the heating of homes and residential premises.

12 (21) Electricity and gas. - From the sale and from the storage, use, or other consumption  
13 in this state of electricity and gas furnished for domestic use by occupants of residential premises.

14 (22) Manufacturing machinery and equipment.

15 (i) From the sale and from the storage, use, or other consumption in this state of tools,  
16 dies, ~~and~~ molds, ~~and~~ machinery, ~~and~~ equipment (including replacement parts), and related items  
17 to the extent used in an industrial plant in connection with the actual manufacture, conversion, or  
18 processing of tangible personal property, or to the extent used in connection with the actual  
19 manufacture, conversion or processing of computer software as that term is utilized in industry  
20 numbers 7371, 7372, and 7373 in the standard industrial classification manual prepared by the  
21 ~~technical committee~~ [Technical Committee](#) on ~~industrial classification~~ [Industrial Classification](#),  
22 ~~office of statistical standards~~ [Office of Statistical Standards](#), ~~executive office of the president~~  
23 [Executive Office of the President](#), United States ~~bureau~~ [Bureau](#) of the ~~budget~~ [Budget](#), as revised  
24 from time to time, to be sold, or that machinery and equipment used in the furnishing of power to  
25 an industrial manufacturing plant. For the purposes of this subdivision, "industrial plant" means a  
26 factory at a fixed location primarily engaged in the manufacture, conversion, or processing of  
27 tangible personal property to be sold in the regular course of business;

28 (ii) Machinery and equipment and related items are not deemed to be used in connection  
29 with the actual manufacture, conversion, or processing of tangible personal property, or in  
30 connection with the actual manufacture, conversion, or processing of computer software as that  
31 term is utilized in industry numbers 7371, 7372, and 7373 in the standard industrial classification  
32 manual prepared by the ~~technical committee on industrial classification~~ [Technical Committee on](#)  
33 [Industrial Classification](#), ~~office of statistical standards~~ [Office of Statistical Standards](#), ~~executive~~  
34 ~~office of the president~~ [Executive Office of the President](#), United States ~~bureau~~ [Bureau](#) of the

1 ~~budget~~ Budget, as revised from time to time, to be sold to the extent the property is used in  
2 administration or distribution operations;

3 (iii) Machinery and equipment and related items used in connection with the actual  
4 manufacture, conversion, or processing of any computer software or any tangible personal  
5 property ~~which~~ that is not to be sold and ~~which~~ that would be exempt under subdivision (7) or this  
6 subdivision if purchased from a vendor or machinery and equipment and related items used  
7 during any manufacturing, converting, or processing function is exempt under this subdivision  
8 even if that operation, function, or purpose is not an integral or essential part of a continuous  
9 production flow or manufacturing process;

10 (iv) Where a portion of a group of portable or mobile machinery is used in connection  
11 with the actual manufacture, conversion, or processing of computer software or tangible personal  
12 property to be sold, as previously defined, that portion, if otherwise qualifying, is exempt under  
13 this subdivision even though the machinery in that group is used interchangeably and not  
14 otherwise identifiable as to use.

15 (23) Trade-in value of motor vehicles. - From the sale and from the storage, use, or other  
16 consumption in this state of so much of the purchase price paid for a new or used automobile as is  
17 allocated for a trade-in allowance on the automobile of the buyer given in trade to the seller, or of  
18 the proceeds applicable only to the automobile as are received from the manufacturer of  
19 automobiles for the repurchase of the automobile whether the repurchase was voluntary or not  
20 towards the purchase of a new or used automobile by the buyer. For the purpose of this  
21 subdivision, the word "automobile" means a private passenger automobile not used for hire and  
22 does not refer to any other type of motor vehicle.

23 (24) Precious metal bullion.

24 (i) From the sale and from the storage, use, or other consumption in this state of precious  
25 metal bullion, substantially equivalent to a transaction in securities or commodities.

26 (ii) For purposes of this subdivision, "precious metal bullion" means any elementary  
27 precious metal ~~which~~ that has been put through a process of smelting or refining, including, but  
28 not limited to, gold, silver, platinum, rhodium, and chromium, and ~~which~~ that is in a state or  
29 condition that its value depends upon its content and not upon its form.

30 (iii) The term does not include fabricated precious metal ~~which~~ that has been processed  
31 or manufactured for some one or more specific and customary industrial, professional, or artistic  
32 uses.

33 (25) Commercial vessels. - From sales made to a commercial ship, barge, or other vessel  
34 of fifty (50) tons burden or over, primarily engaged in interstate or foreign commerce, and from

1 the repair, alteration, or conversion of the vessels, and from the sale of property purchased for the  
2 use of the vessels including provisions, supplies, and material for the maintenance and/or repair  
3 of the vessels.

4 (26) Commercial fishing vessels. - From the sale and from the storage, use, or other  
5 consumption in this state of vessels and other water craft ~~which~~ that are in excess of five (5) net  
6 tons and ~~which~~ that are used exclusively for "commercial fishing", as defined in this subdivision,  
7 and from the repair, alteration, or conversion of those vessels and other watercraft, and from the  
8 sale of property purchased for the use of those vessels and other watercraft including provisions,  
9 supplies, and material for the maintenance and/or repair of the vessels and other watercraft and  
10 the boats nets, cables, tackle, and other fishing equipment appurtenant to or used in connection  
11 with the commercial fishing of the vessels and other watercraft. "Commercial fishing" means ~~the~~  
12 taking or ~~the~~ attempting to take any fish, shellfish, crustacea, or bait species with the intent of  
13 disposing of ~~them~~ it for profit or by sale, barter, trade, or in commercial channels. The term does  
14 not include subsistence fishing, i.e., the taking for personal use and not for sale or barter; or sport  
15 fishing; but shall include vessels and other watercraft with a Rhode Island party and charter boat  
16 license issued by the department of environmental management pursuant to ~~section~~ § 20-2-27.1  
17 ~~which meet~~ that meet the following criteria: (i) ~~the~~ The operator must have a current U.S.C.G.  
18 license to carry passengers for hire; (ii) U.S.C.G. vessel documentation in the coastwide fishery  
19 trade; (iii) U.S.C.G. vessel documentation as to proof of Rhode Island home port status or a  
20 Rhode Island boat registration to prove Rhode Island home port status; and (iv) ~~the~~ The vessel  
21 must be used as a commercial passenger carrying fishing vessel to carry passengers for fishing.  
22 The vessel must be able to demonstrate that at least fifty percent (50%) of its annual gross income  
23 derives from charters or provides documentation of a minimum of one hundred (100) charter trips  
24 annually; (v) ~~the~~ The vessel must have a valid Rhode Island party and charter boat license. The  
25 tax administrator shall implement the provisions of this subdivision by promulgating rules and  
26 regulations relating thereto.

27 (27) Clothing and footwear. - From the sales of articles of clothing, including footwear,  
28 intended to be worn or carried on or about the human body for sales prior to October 1, 2012.  
29 Effective October 1, 2012, the exemption will apply to the sales of articles of clothing, including  
30 footwear, intended to be worn or carried on or about the human body up to two hundred and fifty  
31 dollars (\$250) of the sales price per item. For the purposes of this section, "clothing or footwear"  
32 does not include clothing accessories or equipment or special clothing or footwear primarily  
33 designed for athletic activity or protective use as these terms are defined in section 44-18-7.1(f).  
34 In recognition of the work being performed by the ~~Streamlined Sales and Use Tax Governing~~

1 ~~Board~~ [streamlined sales and use tax governing board](#), upon passage of any federal law ~~which~~ [that](#)  
2 authorizes states to require remote sellers to collect and remit sales and use taxes, this unlimited  
3 exemption will apply as it did prior to October 1, 2012. The unlimited exemption on sales of  
4 clothing and footwear shall take effect on the date that the state requires remote sellers to collect  
5 and remit sales and use taxes.

6 (28) Water for residential use. - From the sale and from the storage, use, or other  
7 consumption in this state of water furnished for domestic use by occupants of residential  
8 premises.

9 (29) Bibles. - [Unconstitutional; see Ahlburn v. Clark, 728 A.2d 449 (R.I. 1999); see  
10 Notes to Decisions.]From the sale and from the storage, use, or other consumption in the state of  
11 any canonized scriptures of any tax-exempt nonprofit religious organization including, but not  
12 limited to, the Old Testament and the New Testament versions.

13 (30) Boats.

14 (i) From the sale of a boat or vessel to a bona fide nonresident of this state who does not  
15 register the boat or vessel in this state; or document the boat or vessel with the United States  
16 government at a home port within the state, whether the sale or delivery of the boat or vessel is  
17 made in this state or elsewhere; provided, that the nonresident transports the boat within thirty  
18 (30) days after delivery by the seller outside the state for use thereafter solely outside the state.

19 (ii) The tax administrator, in addition to the provisions of ~~sections~~ [§§](#) 44-19-17 and 44-  
20 19-28, may require the seller of the boat or vessel to keep records of the sales to bona fide  
21 nonresidents as the tax administrator deems reasonably necessary to substantiate the exemption  
22 provided in this subdivision, including the affidavit of the seller that the buyer represented  
23 himself or herself to be a bona fide nonresident of this state and of the buyer that he or she is a  
24 nonresident of this state.

25 (31) Youth activities equipment. - From the sale, storage, use, or other consumption in  
26 this state of items for not more than twenty dollars (\$20.00) each by nonprofit Rhode Island  
27 eleemosynary organizations, for the purposes of youth activities ~~which the~~ [that the](#) organization is  
28 formed to sponsor and support; and by accredited elementary and secondary schools for the  
29 purposes of the schools or of organized activities of the enrolled students.

30 (32) Farm equipment. - From the sale and from the storage or use of machinery and  
31 equipment used directly for commercial farming and agricultural production; including, but not  
32 limited to; tractors, ploughs, harrows, spreaders, seeders, milking machines, silage conveyors,  
33 balers, bulk milk storage tanks, trucks with farm plates, mowers, combines, irrigation equipment,  
34 greenhouses and greenhouse coverings, graders and packaging machines, tools and supplies and



1 other farming equipment, including replacement parts, appurtenant to or used in connection with  
2 commercial farming and tools and supplies used in the repair and maintenance of farming  
3 equipment. "Commercial farming" means the keeping or boarding of five (5) or more horses or  
4 the production within this state of agricultural products, including, but not limited to, field or  
5 orchard crops, livestock, dairy, and poultry, or their products, where the keeping, boarding, or  
6 production provides at least two thousand five hundred dollars (\$2,500) in annual gross sales to  
7 the operator, whether an individual, a group, a partnership, or a corporation for exemptions issued  
8 prior to July 1, 2002; ~~for~~ For exemptions issued or renewed after July 1, 2002, there shall be two  
9 (2) levels. Level I shall be based on proof of annual, gross sales from commercial farming of at  
10 least twenty-five hundred dollars (\$2,500) and shall be valid for purchases subject to the  
11 exemption provided in this subdivision except for motor vehicles with an excise tax value of five  
12 thousand dollars (\$5,000) or greater; Level II shall be based on proof of annual gross sales from  
13 commercial farming of at least ten thousand dollars (\$10,000) or greater and shall be valid for  
14 purchases subject to the exemption provided in this subdivision including motor vehicles with an  
15 excise tax value of five thousand dollars (\$5,000) or greater. For the initial issuance of the  
16 exemptions, proof of the requisite amount of annual gross sales from commercial farming shall be  
17 required for the prior year; for any renewal of an exemption granted in accordance with this  
18 subdivision at either ~~Level~~ level I or ~~Level~~ level II, proof of gross annual sales from commercial  
19 farming at the requisite amount shall be required for each of the prior two (2) years. Certificates  
20 of exemption issued or renewed after July 1, 2002, shall clearly indicate the level of the  
21 exemption and be valid for four (4) years after the date of issue. This exemption applies even if  
22 the same equipment is used for ancillary uses, or is temporarily used for a non-farming or a non-  
23 agricultural purpose, but shall not apply to motor vehicles acquired after July 1, 2002, unless the  
24 vehicle is a farm vehicle as defined pursuant to ~~section~~ § 31-1-8 and is eligible for registration  
25 displaying farm plates as provided for in ~~section~~ § 31-3-31.

26 (33) Compressed air. - From the sale and from the storage, use, or other consumption in  
27 the state of compressed air.

28 (34) Flags. - From the sale and from the storage, consumption, or other use in this state  
29 of United States, Rhode Island or POW-MIA flags.

30 (35) Motor vehicle and adaptive equipment to certain veterans. - From the sale of a  
31 motor vehicle and adaptive equipment to and for the use of a veteran with a service-connected  
32 loss of or the loss of use of a leg, foot, hand, or arm, or any veteran who is a double amputee,  
33 whether service connected or not. The motor vehicle must be purchased by and especially  
34 equipped for use by the qualifying veteran. Certificate of exemption or refunds of taxes paid is

1 granted under rules or regulations that the tax administrator may prescribe.

2 (36) Textbooks. - From the sale and from the storage, use, or other consumption in this  
3 state of textbooks by an "educational institution", as defined in subdivision (18) of this section,  
4 and ~~as well as~~ any educational institution within the purview of ~~section §~~ 16-63-9(4), and used  
5 textbooks by any purveyor.

6 (37) Tangible personal property and supplies used in on-site hazardous waste recycling,  
7 reuse, or treatment. - From the sale, storage, use, or other consumption in this state of tangible  
8 personal property or supplies used or consumed in the operation of equipment, the exclusive  
9 function of which is the recycling, reuse, or recovery of materials (other than precious metals, as  
10 defined in subdivision (24)(ii) of this section) from the treatment of "hazardous wastes", as  
11 defined in ~~section §~~ 23-19.1-4, where the "hazardous wastes" are generated in Rhode Island  
12 solely by the same taxpayer and where the personal property is located at, in, or adjacent to a  
13 generating facility of the taxpayer in Rhode Island. The taxpayer shall procure an order from the  
14 director of the department of environmental management certifying that the equipment and/or  
15 supplies as used, or consumed, qualify for the exemption under this subdivision. If any  
16 information relating to secret processes or methods of manufacture, production, or treatment is  
17 disclosed to the department of environmental management only to procure an order, and is a  
18 "trade secret" as defined in ~~section §~~ 28-21-10(b), it is not open to public inspection or publicly  
19 disclosed unless disclosure is required under chapter 21 of title 28 or chapter 24.4 of title 23.

20 (38) Promotional and product literature of boat manufacturers. - From the sale and from  
21 the storage, use, or other consumption of promotional and product literature of boat  
22 manufacturers shipped to points outside of Rhode Island ~~which that~~ either: (i) ~~accompany~~  
23 Accompany the product ~~which that~~ is sold; (ii) ~~are~~ Are shipped in bulk to out-of-state dealers for  
24 use in the sale of the product; or (iii) ~~are~~ Are mailed to customers at no charge.

25 (39) Food items paid for by food stamps. - From the sale and from the storage, use, or  
26 other consumption in this state of eligible food items payment for which is properly made to the  
27 retailer in the form of U.S. government food stamps issued in accordance with the Food Stamp  
28 Act of 1977, 7 U.S.C. ~~section §~~ 2011 et seq.

29 (40) Transportation charges. - From the sale or hiring of motor carriers as defined in  
30 ~~section §~~ 39-12-2(1) to haul goods, when the contract or hiring cost is charged by a motor freight  
31 tariff filed with the Rhode Island public utilities commission on the number of miles driven or by  
32 the number of hours spent on the job.

33 (41) Trade-in value of boats. - From the sale and from the storage, use, or other  
34 consumption in this state of so much of the purchase price paid for a new or used boat as is

1 allocated for a trade-in allowance on the boat of the buyer given in trade to the seller or of the  
2 proceeds applicable only to the boat as are received from an insurance claim as a result of a stolen  
3 or damaged boat; towards the purchase of a new or used boat by the buyer.

4 (42) Equipment used for research and development. - From the sale and from the  
5 storage, use, or other consumption of equipment to the extent used for research and development  
6 purposes by a qualifying firm. For the purposes of this subdivision, "qualifying firm" means a  
7 business for which the use of research and development equipment is an integral part of its  
8 operation; and "equipment" means scientific equipment, computers, software, and related items.

9 (43) Coins. - From the sale and from the other consumption in this state of coins having  
10 numismatic or investment value.

11 (44) Farm structure construction materials. - Lumber, hardware, and other materials used  
12 in the new construction of farm structures, including production facilities such as, but not limited  
13 to, farrowing sheds, free stall and stanchion barns, milking parlors, silos, poultry barns, laying  
14 houses, fruit and vegetable storages, rooting cellars, propagation rooms, greenhouses, packing  
15 rooms, machinery storage, seasonal farm worker housing, certified farm markets, bunker and  
16 trench silos, feed storage sheds, and any other structures used in connection with commercial  
17 farming.

18 (45) Telecommunications carrier access service. - Carrier access service or  
19 telecommunications service when purchased by a telecommunications company from another  
20 telecommunications company to facilitate the provision of telecommunications service.

21 (46) Boats or vessels brought into the state exclusively for winter storage, maintenance,  
22 repair or sale. - Notwithstanding the provisions of ~~sections~~ [§§ 44-18-10, 44-18-11, and 44-18-20](#),  
23 the tax imposed by ~~section~~ [§ 44-18-20](#) is not applicable for the period commencing on the first  
24 day of October in any year [up](#) to and including the 30th day of April next succeeding with respect  
25 to the use of any boat or vessel within this state exclusively for purposes of: (i) ~~delivery~~ [Delivery](#)  
26 of the vessel to a facility in this state for storage, including dry storage and storage in water by  
27 means of apparatus preventing ice damage to the hull, maintenance, or repair; (ii) ~~the~~ [The](#) actual  
28 process of storage, maintenance, or repair of the boat or vessel; or (iii) ~~storage~~ [Storage](#) for the  
29 purpose of selling the boat or vessel.

30 (47) Jewelry display product. - From the sale and from the storage, use, or other  
31 consumption in this state of tangible personal property used to display any jewelry product;  
32 provided, that title to the jewelry display product is transferred by the jewelry manufacturer or  
33 seller and that the jewelry display product is shipped out of state for use solely outside the state  
34 and is not returned to the jewelry manufacturer or seller.

1 (48) Boats or vessels generally. - Notwithstanding the provisions of this chapter, the tax  
2 imposed by ~~sections §§~~ 44-18-20 and 44-18-18 shall not apply with respect to the sale and to the  
3 storage, use, or other consumption in this state of any new or used boat. The exemption provided  
4 for in this subdivision does not apply after October 1, 1993, unless prior to October 1, 1993, the  
5 federal ten percent (10%) surcharge on luxury boats is repealed.

6 (49) Banks and ~~Regulated~~ regulated investment companies interstate toll-free calls. -  
7 Notwithstanding the provisions of this chapter, the tax imposed by this chapter does not apply to  
8 the furnishing of interstate and international, toll-free terminating telecommunication service that  
9 is used directly and exclusively by or for the benefit of an eligible company as defined in this  
10 subdivision; provided, that an eligible company employs on average during the calendar year no  
11 less than five hundred (500) "full-time equivalent employees"; as that term is defined in ~~section §~~  
12 42-64.5-2. For purposes of this section, an "eligible company" means a "regulated investment  
13 company" as that term is defined in the Internal Revenue Code of 1986, 26 U.S.C. section 1 et  
14 seq., or a corporation to the extent the service is provided, directly or indirectly, to or on behalf of  
15 a regulated investment company, an employee benefit plan, a retirement plan or a pension plan or  
16 a state-chartered bank.

17 (50) Mobile and manufactured homes generally. - From the sale and from the storage,  
18 use, or other consumption in this state of mobile and/or manufactured homes as defined and  
19 subject to taxation pursuant to the provisions of chapter 44 of title 31.

20 (51) Manufacturing business reconstruction materials.

21 (i) From the sale and from the storage, use, or other consumption in this state of lumber,  
22 hardware, and other building materials used in the reconstruction of a manufacturing business  
23 facility ~~which that~~ suffers a disaster, as defined in this subdivision, in this state. "Disaster" means  
24 any occurrence, natural or otherwise, ~~which that~~ results in the destruction of sixty percent (60%)  
25 or more of an operating manufacturing business facility within this state. "Disaster" does not  
26 include any damage resulting from the willful act of the owner of the manufacturing business  
27 facility.

28 (ii) Manufacturing business facility includes, but is not limited to, the structures housing  
29 the production and administrative facilities.

30 (iii) In the event a manufacturer has more than one manufacturing site in this state, the  
31 sixty percent (60%) provision applies to the damages suffered at that one site.

32 (iv) To the extent that the costs of the reconstruction materials are reimbursed by  
33 insurance, this exemption does not apply.

34 (52) Tangible personal property and supplies used in the processing or preparation of

1 floral products and floral arrangements. - From the sale, storage, use, or other consumption in this  
2 state of tangible personal property or supplies purchased by florists, garden centers, or other like  
3 producers or vendors of flowers, plants, floral products, and natural and artificial floral  
4 arrangements ~~which~~ that are ultimately sold with flowers, plants, floral products, and natural and  
5 artificial floral arrangements or are otherwise used in the decoration, fabrication, creation,  
6 processing, or preparation of flowers, plants, floral products, or natural and artificial floral  
7 arrangements, including descriptive labels, stickers, and cards affixed to the flower, plant, floral  
8 product, or arrangement, artificial flowers, spray materials, floral paint and tint, plant shine,  
9 flower food, insecticide and fertilizers.

10 (53) Horse food products. - From the sale and from the storage, use, or other  
11 consumption in this state of horse food products purchased by a person engaged in the business of  
12 the boarding of horses.

13 (54) Non-motorized recreational vehicles sold to nonresidents.

14 (i) From the sale, subsequent to June 30, 2003, of a non-motorized recreational vehicle to  
15 a bona fide nonresident of this state who does not register the non-motorized recreational vehicle  
16 in this state, whether the sale or delivery of the non-motorized recreational vehicle is made in this  
17 state or at the place of residence of the nonresident; ~~provided;~~ that a non-motorized recreational  
18 vehicle sold to a bona fide nonresident whose state of residence does not allow a like exemption  
19 to its nonresidents is not exempt from the tax imposed under ~~section~~ § 44-18-20; provided,  
20 further, that in that event the bona fide nonresident pays a tax to Rhode Island on the sale at a rate  
21 equal to the rate that would be imposed in his or her state of residence not to exceed the rate that  
22 would have been imposed under ~~section~~ § 44-18-20. Notwithstanding any other provisions of  
23 law, a licensed, non-motorized recreational vehicle dealer shall add and collect the tax required  
24 under this subdivision and remit the tax to the tax administrator under the provisions of chapters  
25 18 and 19 of this title. Provided, that when a Rhode Island licensed, non-motorized recreational  
26 vehicle dealer is required to add and collect the sales and use tax on the sale of a non-motorized  
27 recreational vehicle to a bona fide nonresident as provided in this section, the dealer in computing  
28 the tax takes into consideration the law of the state of the nonresident as it relates to the trade-in  
29 of motor vehicles.

30 (ii) The tax administrator, in addition to the provisions of ~~sections~~ §§ 44-19-27 and 44-  
31 19-28, may require any licensed, non-motorized recreational vehicle dealer to keep records of  
32 sales to bona fide nonresidents as the tax administrator deems reasonably necessary to  
33 substantiate the exemption provided in this subdivision, including the affidavit of a licensed, non-  
34 motorized recreational vehicle dealer that the purchaser of the non-motorized recreational vehicle

1 was the holder of, and had in his or her possession a valid out-of-state non-motorized recreational  
2 vehicle registration or a valid out-of-state driver's license.

3 (iii) Any nonresident who registers a non-motorized recreational vehicle in this state  
4 within ninety (90) days of the date of its sale to him or her is deemed to have purchased the non-  
5 motorized recreational vehicle for use, storage, or other consumption in this state, and is subject  
6 to, and liable for, the use tax imposed under the provisions of ~~section~~ § 44-18-20.

7 (iv) "Non-motorized recreational vehicle" means any portable dwelling designed and  
8 constructed to be used as a temporary dwelling for travel, camping, recreational, and vacation use  
9 ~~which~~ that is eligible to be registered for highway use, including, but not limited to, "pick-up  
10 coaches" or "pick-up campers," "travel trailers," and "tent trailers" as those terms are defined in  
11 chapter 1 of title 31.

12 (55) Sprinkler and fire alarm systems in existing buildings. - From the sale in this state of  
13 sprinkler and fire alarm systems; emergency lighting and alarm systems; and ~~from the sale of~~ the  
14 materials necessary and attendant to the installation of those systems; that are required in  
15 buildings and occupancies existing therein in July 2003; in order to comply with any additional  
16 requirements for such buildings arising directly from the enactment of the Comprehensive Fire  
17 Safety Act of 2003; and that are not required by any other provision of law or ordinance or  
18 regulation adopted pursuant to that Act. The exemption provided in this subdivision shall expire  
19 on December 31, 2008.

20 (56) Aircraft. - Notwithstanding the provisions of this chapter, the tax imposed by  
21 ~~sections~~ §§ 44-18-18 and 44-18-20 shall not apply with respect to the sale and to the storage, use,  
22 or other consumption in this state of any new or used aircraft or aircraft parts.

23 (57) Renewable energy products. - Notwithstanding any other provisions of Rhode  
24 Island general laws, the following products shall also be exempt from sales tax: solar photovoltaic  
25 modules or panels, or any module or panel that generates electricity from light; solar thermal  
26 collectors, including, but not limited to, those manufactured with flat glass plates, extruded  
27 plastic, sheet metal, and/or evacuated tubes; geothermal heat pumps, including both water-to-  
28 water and water-to-air type pumps; wind turbines; towers used to mount wind turbines if  
29 specified by or sold by a wind turbine manufacturer; DC to AC inverters that interconnect with  
30 utility power lines; and manufactured mounting racks and ballast pans for solar collector, module,  
31 or panel installation. Not to include materials that could be fabricated into such racks; monitoring  
32 and control equipment, if specified or supplied by a manufacturer of solar thermal, solar  
33 photovoltaic, geothermal, or wind energy systems or if required by law or regulation for such  
34 systems but not to include pumps, fans or plumbing or electrical fixtures unless shipped from the

1 manufacturer affixed to, or an integral part of, another item specified on this list; and solar storage  
2 tanks that are part of a solar domestic hot water system or a solar space heating system. If the tank  
3 comes with an external heat exchanger it shall also be tax exempt, but a standard hot water tank is  
4 not exempt from state sales tax.

5 (58) Returned property. - The amount charged for property returned by customers upon  
6 rescission of the contract of sale when the entire amount exclusive of handling charges paid for  
7 the property is refunded in either cash or credit, and where the property is returned within one  
8 hundred twenty (120) days from the date of delivery.

9 (59) Dietary Supplements. - From the sale and from the storage, use, or other  
10 consumption of dietary supplements as defined in ~~section~~ § 44-18-7.1(l)(v), sold on prescriptions.

11 (60) Blood. - From the sale and from the storage, use, or other consumption of human  
12 blood.

13 (61) Agricultural products for human consumption. - From the sale and from the storage,  
14 use, or other consumption of livestock and poultry of the kinds of products ~~of which that~~  
15 ordinarily constitute food for human consumption and of livestock of the kind the products of  
16 which ordinarily ~~constitute~~ constitutes fibers for human use.

17 (62) Diesel emission control technology. - From the sale and use of diesel retrofit  
18 technology that is required by ~~section~~ § 31-47.3-4 ~~of the general laws~~.

19 (63) Feed for certain animals used in commercial farming. - From the sale of feed for  
20 animals as described in ~~subsection~~ § 44-18-30(61).

21 (64) Alcoholic beverages. - From the sale and storage, use, or other consumption in this  
22 state by a Class A licensee of alcoholic beverages, as defined in ~~section~~ § 44-18-7.1, excluding  
23 beer and malt beverages from December 1, 2013, through March 31, 2015; provided, further,  
24 notwithstanding ~~section~~ § 6-13-1 or any other general or public law to the contrary, alcoholic  
25 beverages, as defined in ~~section~~ § 44-18-7.1, shall not be subject to minimum markup from  
26 December 1, 2013, through March 31, 2015.

27 SECTION 64. Section 44-18-30.B of the General Laws in Chapter 44-18 entitled "Sales  
28 and Use Taxes - Liability and Computation" is hereby amended to read as follows:

29 **44-18-30.B. Exemption from sales tax for sales by writers, composers, artists --**  
30 **Findings.** -- (a) The general assembly makes the following findings of facts:

31 (1) The arts and culture are a significant asset for Rhode Island, one ~~which that~~ generates  
32 revenue through increased tourism and economic activity; creates jobs and economic  
33 opportunities; revitalizes communities adding to quality of life and property values; and fosters  
34 creativity, innovation, and entrepreneurship.



1 (2) Since 1998, the establishment of arts districts, where "one-of-a-kind, limited-  
2 production" works of art may be sold exempt from state sales tax, has resulted in an increased  
3 presence for the arts in designated cities and towns, with benefits to those communities and to the  
4 state.

5 (3) Since the establishment of arts districts, many communities have sought legislation to  
6 expand the program to their city or town.

7 (4) There is value in expanding the arts district program statewide, providing incentives  
8 for the sale and purchase of art. This is a unique opportunity for Rhode Island to shape history,  
9 and gain an advantage over other states, by becoming the first-and-only state in the country to  
10 declare a statewide sales tax exemption on art. This will strengthen Rhode Island's identity as an  
11 arts-friendly destination and "State of the Arts".

12 (b) (1) This section only applies to sales by writers, composers, and artists residing in  
13 and conducting a business within the state of Rhode Island. For the purposes of this section, a  
14 "work" means an original and creative work, whether written, composed, or executed for "one-of-  
15 a-kind, limited" production" and which that falls into one of the following categories:

- 16 (i) A book or other writing;
- 17 (ii) A play or the performance of said play;
- 18 (iii) A musical composition or the performance of said composition;
- 19 (iv) A painting, print, photograph, or other like picture; a
- 20 (v) A sculpture;
- 21 (vi) Traditional and fine crafts;
- 22 (vii) The creation of a film or the acting within the film; or
- 23 (viii) The creation of a dance or the performance of the dance.

24 (2) For the purposes of this section, a "work" includes any product generated as a result  
25 of any of the above categories.

26 (3) For the purposes of this section, a "work" does not apply to any piece or performance  
27 created or executed for industry-oriented, commercial, or related production.

28 (c) (1) This section applies to sales by any individual:

29 (i) Who is a resident of, and has a principal place of business situated in, the state of  
30 Rhode Island.

31 (ii) Who is determined by the tax administrator in consultation with the Rhode Island  
32 council on the arts, after consideration of any evidence he or she deems necessary or which that is  
33 submitted to him or her by the individual, to have written, composed, or executed, either solely or  
34 jointly, a work or works which that would fall into one of the categories listed in subsection

1 (b)(1).

2 (2) This section also applies to sales by any other gallery located in the state of Rhode  
3 Island.

4 (3) The tax administrator shall not make a determination unless:

5 (i) The individual(s) concerned duly make(s) an application to the tax administrator for  
6 the sales tax exemption ~~which~~ that applies to the works defined in this section; and

7 (ii) The individual has complied and continues to comply with any and all requests made  
8 by the tax administrator.

9 (d) Any individual to whom this section applies, and who makes an application to the tax  
10 administrator, is entitled to a sales tax exemption for the sale of a work or works sold from the  
11 individual's business located in the State of Rhode Island ~~which~~ that would, apart from this  
12 section, be subject to the tax rate imposed by the state of Rhode Island.

13 (e) When an individual makes a request for the exemption, the tax administrator is  
14 entitled to all books, documents, or other evidence relating to the publication, production, or  
15 creation of the works that may be deemed necessary by the tax administrator for the purposes of  
16 the exemption. The time period in which to provide this information is in the sole discretion of  
17 the tax administrator and specified in the notice.

18 (f) In addition to the information required in subsection (e), the tax administrator may  
19 require the individual(s) to submit an annual, certified accounting of the numbers of works sold,  
20 the type of work sold, and the date of the sale. Failure to file this report may, in the sole  
21 discretion of the tax administrator, terminate the individual's eligibility for the exemption.

22 (g) Any person storing, using, or otherwise consuming in this state any work or works  
23 ~~which is~~ deemed to be exempt from the sales tax pursuant to this section is not liable for the use  
24 tax on the work or works.

25 (h) Notwithstanding the provisions of this section, any individual to whom this section  
26 may apply shall comply with all the administration, collection, and other provisions of chapters  
27 18 and 19 of this title.

28 (4) The Rhode Island council on the arts will oversee the transition to a statewide arts  
29 district program and work with the state tourism agencies, local chambers of commerce, and  
30 advertising/marketing agencies to promote this program, and will coordinate its efforts with the  
31 city and town governments. The Rhode Island council on the arts may request, and shall receive,  
32 from any department, division, board, bureau, commission, or agency of the state any data,  
33 assistance, and resources, including additional personnel, that will enable it to properly carry out  
34 this program.

1 (5) The tax administrator, in cooperation with the Rhode Island council on the arts, will  
2 gather data to assess the overall impact of the statewide arts district program, and issue an annual  
3 report, including, but not be limited to, the impact of the tax exemption on employment, tourism,  
4 sales, and spending within the arts sector and adjacent businesses, and any other factors that  
5 describe the impact of the program.

6 SECTION 65. Sections 44-48.2-2, 44-48.2-3, 44-48.2-4 and 44-48.2-5 of the General  
7 Laws in Chapter 44-48.2 entitled "Rhode Island Economic Development Tax Incentives  
8 Evaluation Act of 2013" are hereby amended to read as follows:

9 **44-48.2-2. Legislative findings and purpose.** -- The general assembly finds and declares  
10 that:

11 (1) The state of Rhode Island relies on a number of tax incentives, including credits,  
12 exemptions, and deductions, to encourage businesses to locate, hire employees, expand, invest,  
13 and/or remain in the state;

14 (2) These various tax incentives are intended as a tool for economic development,  
15 promoting new jobs and business growth in Rhode Island;

16 (3) The state needs a systematic approach for evaluating whether incentives are fulfilling  
17 their intended purposes in a cost-effective manner;

18 (4) In order to improve state government's effectiveness in serving the residents of this  
19 state, the legislature finds it necessary to provide for the systematic and comprehensive analysis  
20 of economic development tax incentives; and for those analyses to be incorporated into the  
21 budget and policymaking processes.

22 **44-48.2-3. Economic development tax incentive defined.** -- (a) As used in this section,  
23 the term "economic development tax incentive" shall include:

24 (1) Those tax credits, deductions, exemptions, exclusions, and other preferential tax  
25 benefits associated with ~~sections~~ §§ 42-64.3-6, 42-64.3-7, 42-64.5-3, 42-64.6-4, 42-64.11-4, 44-  
26 30-1.1, 44-31-1, 44-31-1.1, 44-31-2, 44-31.2-5, 44-32-1, 44-32-2, 44-32-3, 44-39.1-1, 44-43-2,  
27 44-43-3, and 44-63-2, and;

28 (2) Any future incentives enacted after the effective date of this section for the purpose  
29 of recruitment or retention of businesses in the state of Rhode Island.

30 (b) In determining whether a future tax incentive is enacted for "the purpose of  
31 recruitment or retention of businesses," the office of revenue analysis shall consider legislative  
32 intent, including legislative statements of purpose and goals, and may also consider whether the  
33 tax incentive is promoted as a business incentive by the state's economic development agency or  
34 other relevant state agency.

1           **44-48.2-4. Economic Development Tax Incentive Evaluations, Schedule.** -- (a) In  
2 accordance with the following schedule, the tax expenditure report produced by the chief of the  
3 office of revenue analysis pursuant to ~~section §~~ 44-48.1-1, shall include an additional analysis  
4 component, consistent with ~~section §~~ 44-48.2-5 and produced in consultation with the director of  
5 the economic development corporation, the director of the office of management and budget, and  
6 the director of the department of labor and training:

7           (1) Analyses of economic development tax incentives as listed in subdivision 44-48.2-  
8 3(1) shall be completed at least once between July 1, 2014, and June 30, 2017, and no less than  
9 once every three (3) years thereafter;

10           (2) Analyses of any economic development tax incentives created after July 1, 2013,  
11 shall be completed within five (5) years of taking effect, and no less than once every three (3)  
12 years thereafter;

13           (b) No later than the tenth (10th) of January each year, beginning in 2014, the office of  
14 revenue analysis will submit to the chairs of the senate and house finance committees a three ~~(3)~~  
15 ~~year~~ year (3) plan for evaluating economic development tax incentives.

16           **44-48.2-5. Economic Development Tax Incentive Evaluations, Analysis.** -- (a) The  
17 additional analysis as required by ~~section §~~ 44-48.2-4 shall include, but not be limited to:

18           (1) A baseline assessment of the tax incentive, including, if applicable, the number of  
19 aggregate jobs associated with the taxpayers receiving such tax incentive and the aggregate  
20 annual revenue that such taxpayers generate for the state through the direct taxes applied to them  
21 and through taxes applied to their employees;

22           (2) The statutory and programmatic goals and intent of the tax incentive, if said goals  
23 and intentions are included in the incentive's enabling statute or legislation;

24           (3) The number of taxpayers granted the tax incentive during the previous ~~(12)-month~~  
25 twelve-month (12) period;

26           (4) The value of the tax incentive granted, and ultimately claimed, listed by the North  
27 American Industrial Classification System (NAICS) Code associated with the taxpayers receiving  
28 such benefit, if such NAICS Code is available;

29           (5) An assessment and ~~five (5)-year~~ five-year (5) projection of the potential impact on  
30 the state's revenue stream from carry forwards allowed under such tax incentive;

31           (6) An estimate of the economic impact of the tax incentive including, but not limited to:

32           (i) A cost-benefit comparison of the revenue foregone by allowing the tax incentive  
33 compared to tax revenue generated by the taxpayer receiving the credit, including direct taxes  
34 applied to them and taxes applied to their employees;

- 1 (ii) An estimate of the number of jobs that were the direct result of the incentive; and
- 2 (iii) A statement by the director of the economic development corporation as to whether,
- 3 in his or her judgment, the statutory and programmatic goals of the tax benefit are being met, with
- 4 obstacles to such goals identified, if possible;
- 5 (7) The estimated cost to the state to administer the tax incentive, if such information is
- 6 available;
- 7 (8) An estimate of the extent to which benefits of the tax incentive remained in state or
- 8 flowed outside the state, if such information is available;
- 9 (9) In the case of economic development tax incentives where measuring the economic
- 10 impact is significantly limited due to data constraints, whether any changes in statute would
- 11 facilitate data collection in a way that would allow for better analysis;
- 12 (10) Whether the effectiveness of the tax incentive could be determined more
- 13 definitively if the general assembly were to clarify or modify the tax incentive's goals and
- 14 intended purpose;
- 15 (11) A recommendation as to whether the tax incentive should be continued, modified,
- 16 or terminated; the basis for such recommendation; and the expected impact of such
- 17 recommendation on the state's economy;
- 18 (12) The methodology and assumptions used in carrying out the assessments, projections
- 19 and analyses required pursuant to subdivisions (1) through (8) of this section.

20 (b) All departments, offices, boards, and agencies of the state shall cooperate with the

21 chief of the office of revenue analysis and shall provide to the office of revenue analysis any

22 records, information (documentary and otherwise), data, and data analysis as may be necessary to

23 complete the report required pursuant to this section.

24 SECTION 66. Section 44-55-8 of the General Laws in Chapter 44-55 entitled "Tax

25 Incentives for Employers" is hereby amended to read as follows:

26 **44-55-8. Adding back the domestic production activities deduction.** -- All

27 corporations doing business in the state of Rhode Island shall add back into their taxable income

28 any amount deducted under the federal "domestic production deduction" ~~also known as section~~

29 ~~199 of the federal Internal Revenue Code~~ [of the internal revenue code 26 U.S.C. § 199](#). State tax

30 forms shall be changed if needed in order to comply with this section.

31 SECTION 67. Section 44-61-1.1 of the General Laws in Chapter 44-61 entitled "Relating

32 To Depreciation of Assets and Net Operating Loss Deduction" is hereby amended to read as

33 follows:

34 **44-61-1.1. Expensing in lieu of depreciation of assets. [Effective January 1, 2014.]** --

1 (a) For purposes of expensing of assets under chapters 11, 14, and 30 of this title, the expense  
2 deduction shall not exceed the sum provided for under ~~section 179 of the Internal Revenue Code,~~  
3 [the internal revenue code](#) 26 U.S.C. ~~section~~ § 179. In the year that those assets are placed in  
4 service, expensing of assets for Rhode Island tax purposes shall be allowed in the same manner as  
5 is provided for under ~~section 179 of the Internal Revenue Code~~ [the internal revenue code](#) 26  
6 U.S.C. ~~section~~ § 179. Any remaining tax basis of the asset purchased shall be depreciated as  
7 provided for under the internal revenue service code sections ~~167 and 168, excluding section~~  
8 ~~168(k)~~ [26 U.S.C. §§ 167 and 168, excluding § 168\(k\).](#)

9 (b) The gain resulting from any subsequent disposition of these assets shall be computed  
10 using a basis consistent with the Rhode Island expenses and depreciation allowed under  
11 subsection (a) of this section.

12 (c) There is hereby established a depreciation of assets transfer fund for the purpose of  
13 reserving sufficient funding for the expensing of assets in accordance with subsection (a). The  
14 general assembly may appropriate such amounts to the fund deemed necessary for said purpose.

15 SECTION 68. Section 44-62-3 of the General Laws in Chapter 44-62 entitled "Tax  
16 Credits for Contributions to Scholarship Organizations" is hereby amended to read as follows:

17 **44-62-3. Application for the tax credit program.** -- (a) Prior to the contribution, a  
18 business entity shall apply in writing to the division of taxation. The application shall contain  
19 such information and certification as the tax administrator deems necessary for the proper  
20 administration of this chapter. A business entity shall be approved if it meets the criteria of this  
21 chapter; the dollar amount of the applied for tax credit is no greater than one hundred thousand  
22 dollars (\$100,000) in any tax year, and the scholarship organization ~~which~~ [that](#) is to receive the  
23 contribution has qualified under ~~section~~ § 44-62-2.

24 (b) Approvals for contributions under this section shall be made available by the division  
25 of taxation on a first-come-first-serve basis. The total aggregate amount of all tax credits  
26 approved shall not exceed one million five hundred thousand dollars (\$1,500,000) in a fiscal year.

27 (c) The division of taxation shall notify the business entity in writing within thirty (30)  
28 days of the receipt of application of the division's approval or rejection of the application.

29 (d) Unless the contribution is part of a two-year plan, the actual cash contribution by the  
30 business entity to a qualified scholarship organization must be made no later than one hundred  
31 twenty (120) days following the approval of its application. If the contribution is part of a two-  
32 year plan, the first year's contribution follows the general rule and the second year's contribution  
33 must be made in the subsequent calendar year by the same date.

34 (e) The contributions must be those charitable contributions made in cash as set forth in

1 the Internal Revenue Code.

2 SECTION 69. Sections 44-68-3 and 44-68-5 of the General Laws in Chapter 44-68  
3 entitled "Tax Preparers Act of 2013" are hereby amended to read as follows:

4 **44-68-3. Duties and Responsibilities.** -- (a) A tax return preparer who prepares any  
5 return that is submitted to the tax administrator must comply with all state laws and all applicable  
6 regulations promulgated by the tax administrator.

7 (b) A tax return preparer must sign and include his/her ~~Preparer Tax Identification~~  
8 ~~Number~~ preparer tax identification number on all returns prepared and filed with the ~~Division of~~  
9 ~~Taxation~~ division of taxation.

10 **44-68-5. Criminal Penalties.** -- Any tax return preparer who has previously been  
11 assessed a penalty by the tax administrator under ~~section~~ § 44-68-4(c) who is found by a court of  
12 competent jurisdiction to have thereafter willfully prepared, assisted in preparing, or caused a  
13 preparation of another false tax return or claim for refund, ~~which~~ that was filed with the division  
14 of taxation with the intent to wrongfully obtain a property relief credit or the intent to wrongfully  
15 evade or reduce a tax obligation, shall be guilty of a felony and, on conviction, shall be subject to  
16 a fine not exceeding fifty-thousand dollars (\$50,000) or imprisonment not exceeding five (5)  
17 years or both.

18 SECTION 70. Section 45-23-53 of the General Laws in Chapter 45-23 entitled  
19 "Subdivision of Land" is hereby amended to read as follows:

20 **45-23-53. Local regulations -- Public hearing and notice requirements.** -- (a) No local  
21 regulations shall be adopted, repealed, or amended until after a public hearing has been held upon  
22 the question before the city or town planning board. The city or town planning board shall first  
23 give notice of the public hearing by publication of notice in a newspaper of general circulation  
24 within the municipality at least once each week for three (3) successive weeks prior to the date of  
25 the hearing, which may include the week in which the hearing is to be held. At this hearing,  
26 opportunity shall be given to all persons interested on being heard upon the matter of the  
27 proposed regulations. Written notice, which may be a copy of the newspaper notice, shall be  
28 mailed to the statewide planning program of the Rhode Island department of administration at  
29 least two (2) weeks prior to the hearing. The newspaper notice shall be published as a display  
30 advertisement, using a type size at least as large as the normal type size used by the newspaper in  
31 its news articles, and shall:

32 (1) Specify the place of the hearing and the date and time of its commencement;

33 (2) Indicate that adoption, amendment, or repeal of local regulations is under  
34 consideration;



1 (3) Contain a statement of the proposed amendments to the regulations that may be  
2 printed once in its entirety, or may summarize or describe the matter under consideration as long  
3 as the intent and effect of the proposed regulation is expressly written in that notice;

4 (4) Advise those interested where and when a copy of the matter under consideration  
5 may be obtained or examined and copied; and

6 (5) State that the proposals shown on the notice may be altered or amended prior to the  
7 close of the public hearing without further advertising; as a result of further study or because of  
8 the views expressed at the public hearing. Any alteration or amendment must be presented for  
9 comment in the course of the hearing.

10 (b) Notice of the public hearing shall be sent by first class mail to the city or town  
11 planning board of any municipality where there is a public or quasi-public water source; or  
12 private water source that is used, or is suitable for use as a public water source, located within two  
13 thousand feet (2,000') of the municipal boundaries.

14 (c) Notice of a public hearing shall be sent to the governing body of any state or  
15 municipal water department or agency, special water district, or private water company that has  
16 riparian rights to a surface water resource and/or surface watershed that is used or is suitable for  
17 use as a public water source located within either the municipality or two thousand feet (2,000')  
18 of the municipal boundaries; provided, that a map survey has been filed with the building  
19 inspector as specified in ~~section~~ § 45-24-53(e).

20 (d) Notwithstanding any of the requirements set forth in subsections (a) through (c)  
21 above, each municipality shall establish and maintain a public notice registry allowing any person  
22 or entity to register for electronic notice of any changes to the local regulations. Municipalities  
23 shall annually provide public notice of existence of said registry by a publication of notice in a  
24 newspaper of general circulation within the municipality. In addition, each municipality is hereby  
25 encouraged to provide public notice of the existence of the public notice registry in all of its  
26 current and future communications with the public, including, but not limited to, governmental  
27 websites, electronic newsletters, public bulletins, press releases, and all other means the  
28 municipality may use to impart information to the local community.

29 Provided, however, notice pursuant to a public notice registry as per this section; does not  
30 alone qualify a person or entity on the public notice registry as an "aggrieved party" under  
31 ~~subdivision~~ § 45-24-31(4).

32 ~~(d)~~(e) No defect in the form of any notice under this section renders any regulations  
33 invalid, unless the defect is found to be intentional or misleading.

34 ~~(e)~~(f) The requirements in this section are to be construed as minimum requirements.

1           ~~(d)~~(g) No defect in the form of any notice under this section renders any regulations.  
2           SECTION 71. The amendments to § 15-3-6.1 (d) in Section 49 of this act shall take effect  
3 upon passage and shall be applied retroactively to January 1, 2014. The remainder of this act shall  
4 take effect on December 31, 2014.

=====  
LC005208/SUB A  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO STATUTES AND STATUTORY CONSTRUCTION

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1           This act is the annual statutory construction bill, prepared based upon recommendations  
2 of the Law Revision Office. The act would make technical changes and revisions to various  
3 general laws.

4           The amendments to § 15-3-6.1 (d) in Section 49 of this act would take effect upon  
5 passage and would be applied retroactively to January 1, 2014. The remainder of this act would  
6 take effect on December 31, 2014.

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LC005208/SUB A  
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