

2010 -- S 2626

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

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A N A C T

RELATING TO PUBLIC FINANCE -- STATE BUDGET

Introduced By: Senators Miller, McCaffrey, Perry, Ciccone, and Sosnowski

Date Introduced: March 04, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 35-3-24 of the General Laws in Chapter 35-3 entitled "State  
2 Budget" is hereby amended to read as follows:

3           **35-3-24. Control of state spending.** -- (a) All department and agency heads and their  
4 employees are responsible for ensuring that financial obligations and expenditures for which they  
5 have responsibility do not exceed amounts appropriated and are spent in accordance with state  
6 laws.

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

9           (c) In the event of an obligation, encumbrance, or expenditure in excess of amounts  
10 appropriated, the department or agency head with oversight responsibility shall make a written  
11 determination of the amount and the cause of the overobligation or overexpenditure, the person(s)  
12 responsible, and corrective actions taken to prevent reoccurrence. The plan of corrective actions  
13 contained within the report shall detail an appropriate plan to include, but not limited to, such  
14 issues as the implementation of waiting lists, pro-rata reduction in payments and changes in  
15 eligibility criteria as methods to address the shortfall. The report will be filed within thirty (30)  
16 days of the discovery of the overobligation or overexpenditure with the budget officer, the  
17 controller, the auditor general, and the chairpersons of the house and senate finance committees.

18           (d) A state employee who has knowingly and willingly encumbered, obligated, or  
19 authorized the expenditure of state funds in excess of amounts appropriated for those purposes or

1 entered into contracts without proper authorization may be placed on disciplinary suspension  
2 without pay for up to thirty (30) days in accordance with section 36-4-36.

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

6 (f) A state employee who has knowingly and willingly approved, authorized, accepted, or  
7 supervised the receipt from any person or business of any goods or services for which the state  
8 may be billed, without obtaining approval for the purchase of the goods or services in accordance  
9 with chapter 37-2 may be fined up to five thousand dollars (\$5,000) and/or disciplined up to and  
10 including termination from employment. This subsection shall not prevent the director of  
11 administration from accepting any gift in accordance with section 37-1-1.

12 SECTION 2. Chapter 37-2 of the General Laws entitled "State Purchases" is hereby  
13 amended by adding thereto the following section:

14 **37-2-80. No payment without contract.** – A person or business that provides goods or  
15 services to any state agency without possessing a lawfully authorized written contract shall not be  
16 eligible for any compensation for the delivery of those goods or services except in the case of an  
17 emergency in accordance with subsection 37-2-21(b). No person or business that provides goods  
18 or services to any state agency without possessing a lawfully authorized written contract shall be  
19 eligible to make a claim for payment in quantum meruit for the value of goods and services  
20 without a contract except in the case of an emergency in accordance with subsection 37-2-21(b).

21 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC FINANCE -- STATE BUDGET

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1           This act would prohibit compensation for goods or services provided to any state agency  
2 without authorized written contracts and would impose penalties against state employees who  
3 violate state purchasing laws.

4           This act would take effect upon passage.

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