**An Update from the State House**

**Governor’s Budget Expands Online Gaming**

For those that read the budget cover to cover, surprises still surface during the complicated fiscal analysis that takes place over months of hearings. One item surfaced last Thursday in the Senate Finance Committee hearing. With only rumors surrounding the source of $900,000 included in the Governor’s budget, committee members, staff and members of certain segments of the business community waited for the Department of Revenue to explain. The Lottery Commission plans to begin selling keno through online sales in January, 2020. The Commission believes it can do this without additional legislative approval. For lottery agents such as convenience stores, liquor stores and other brick and mortar lottery sales facilities, this spells trouble. Many wonder, “If the Commission believes it can do this without legislative action, can they not then sell other lottery tickets?”

According to a 2016 report by the North American Association of State and Provincial Lotteries, Rhode Island had the second highest per capita lottery spending in the country. Rhode Islanders spent $1054 per person without access to internet gaming. Massachusetts came in first at $1088. The average per capita per state in 2016 was $371.19. Michigan which already instituted internet online lottery had a per capita spending of $414.

In January of 2019, the federal Department of Justice (DOJ) released a new opinion placing into great question whether states can implement online lottery gaming without violating the federal Wire Act, a 1961 law put in place to counter organized crime gambling. A federal judge gave the DOJ until the end of April, 2019 to clarify its opinion. Many issues remain to be resolved surrounding this issue, but the inclusion of the expansion of gaming in the Governor’s budget still has $900,000 attached to it as available revenue.

**Senate Environment – Straws and Global Warming**

On **Wednesday, At the Rise** (approximately 4:30pm) in **Room 211** at the State House, the **Senate Committee on Environment and Agriculture** will vote on **S.292, An Act Relating to Food and Drugs – Single Use Plastic Straws.** As currently written, the bill would ban food establishments – including theaters, convenience stores, restaurants, hotels, etc. – from offering single use straws to customers. If a customer requests the straw, the establishment would be obliged to provide it. An establishment found violating the new law would receive a notice for the first two violations. Subsequent violations would result in a $25 fine up to an annual maximum of $300. One outstanding issue revolves around straw dispensers; will a customer’s use of the dispenser be interpreted as “requesting” a straw.

Also, on the committee’s agenda is **S.662** which calls for a $15 per ton carbon tax on fossil fuels, increasing every year thereafter. This bill has been heard in previous years. It would dramatically increase the cost of transportation fuel, heating fuel and electricity. The goal of the bill is to increase the cost of fossil fuels to the point where individuals will have to switch to another source of fuel. The bill does not provide an alternative.

**House Labor To Look at Non-compete Clauses**

Also on **Wednesday, At the Rise in Room 203, the House Labor Committee** will hear testimony on **H.6019, Rhode Island Noncompetition Agreement Act**. The Chamber submitted testimony on the Senate version, S.698, last week. The bill is meant to ban the use of non-compete clauses for low wage earners as well as certified nursing assistants (a group that requested this bill).

Courts generally do not look favorably on non-compete clauses. If utilized, they need to be limited in time and scope, and often geographically. However, the Chamber in its testimony did point out that there are circumstances that warrant the use of such provisions. Employees who have access to trade secrets or unique clients could cripple a company. Research assistants who have been working on new products have the ability to damage a company. Technology employees could perhaps have access to information that could be used to start a new company in direct competition with the previous employer. These are just a few examples of situations that might warrant a non-compete agreement.

The definition of “Low-wage employee” is problematic in H.6019. The definition appears to tie to 28-33-20 which is the statute governing workers compensation benefits. When an employee is injured on the job, the benefit paid to that individual is based upon the wages paid prior to the harm. The maximum workers compensation benefit is 125% of the state’s average weekly wage. If the Chamber is interpreting the “low-wage employee” definition laid out in H.6019 correctly, a person would be deemed to be a low wage earner if they make twenty-five percent (25%) more than the average weekly wage. That seems out of balance. The Chamber pledged to work with the Senate and House sponsors to draft a bill that would address low wage earners. If you have concerns about this bill, please contact the Chamber.

The following bill was filed last week:

House Bill No. [6019](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6019.pdf)  Blazejewski**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- RHODE ISLAND NONCOMPETITION AGREEMENT ACT (Creates a comprehensive statutory scheme to address all aspects of noncompetition agreements.)

House Bill No. [6027](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6027.pdf)  Serpa**,**AN ACT RELATING TO HUMAN SERVICES -- MEDICAL ASSISTANCE - LONG TERM CARE SERVICE AND FINANCE REFORM (Provides for a Medicaid home care, home nursing care and hospice base rate adjustment for services delivered to beneficiaries in rural communities as defined by the department of health.)

House Bill No. [6033](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6033.pdf) Bennett, Edwards, Kennedy, McNamara, Almeida**,**AN ACT RELATING TO HEALTH AND SAFETY - LICENSING OF MASSAGE THERAPISTS (Makes sweeping changes to the law on massage therapy licensing.)

House Bill No. [6038](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6038.pdf) Tobon, Shekarchi, Blazejewski, Edwards, Craven**,**AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- SOCIAL BENEFIT BUSINESS PROGRAM (Establishes the Social Benefit Business Program.)