**Tangible Tax SubA Passes Senate Finance Committee and Goes to the Senate Floor**

Some good news for the beginning of the week…The Senate Finance Committee passed S.928 SubA last week, and it is scheduled for a vote on the Senate Floor Thursday. The amended bill provides a tangible property assessed value exemption up to $50,000 beginning in the tax year ending December 31, 2024. An estimated 75% of all current tangible property taxpayers would have no tax liability under this proposal. The total financial relief to the business community is estimated at $25 million.

**Senate Files Wage Theft Bill – S.1079 - Wednesday Hearing – CALL TO ACTION**

Senator Kallman introduced the S.1079 last week, the Senate companion bill to the Attorney General’s House bill H.5902. Like its companion bill, S.1079 changes current state law to increase the criminal consequences for knowingly and willfully failing to pay employees properly and for knowingly and willfully misclassifying individuals as independent contractors instead of employees.

***There is a strong effort from the unions to create a new Rhode Island definition of an independent contractor to make it more difficult to operate in Rhode Island as an independent contractor.***

There are different tests that are under consideration at this time. The most restrictive test, known as the ABC test, only allows individuals to operate as independent contractors if their activities are outside the normal course of a hiring entity’s activities. Another test (AC test) allows independent contractors to operate if they are free from control and are “engaged in an independently established trade, occupation, profession, or business.” Pennsylvania has a definition that applies only to the construction industry where most complaints seem to arise. The Fair Labor Standards Act relies on a six-factor economic test: (1) the degree of control exercised by the alleged employer; (2) the extent of the relative investments of the worker and alleged employer; (3) the degree to which the worker's opportunity for profit and loss is determined by the alleged employer; (4) the skill and initiative required in performing the job; (5) the permanency of the relationship; and (6) the degree to which the alleged employee's tasks are integral to the employer's business. Each test affects different businesses in different ways.

If S.1079 passes with the felony language in place, and the definition changes, businesses will have to cease hiring independent contractors that no longer fit the definition or face felony charges and prison time.

The Senate Labor Committee is holding a hearing Wednesday, May 31st, at 4:00 in Room 212. If you can attend and testify, please contact the Chamber so that we can sign your name to the testimony sheet. If you cannot attend, please submit written testimony by Wednesday, 12:00 pm at [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov) and email a copy to the Chamber at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**We also need you to contact your legislators and the leadership now. If you operate your business as a sole proprietor or if you hire independent contractors, it is imperative that you tell your legislators how the test options will affect you. Provide your name, the name and location of your business, an explanation of why you are an independent contractor or how you utilize independent contractors, and what will happen if you have to hire employees to replace your current independent contractors.**

To find out who represents you go to <https://vote.sos.ri.gov/Home/PollingPlaces?ActiveFlag=3> and enter your home address and information. Contact your State Representative and your State Senator.

Thank you for your help!

**Wednesday, May 31st**

The Senate Labor Committee has other items on its agenda in addition to Wage Theft and Independent Contractor status. The Committee is expected to pass S.427 SubA which requires independent contractors to file an annual registration with the Department of Labor along with a $50 fee. The fee must be filed by January 31st and it is only paid once regardless of the number of registrations filed by the independent contractor. S.427 SubA requires the Department to provide a list of all registered ICs to the Department of Revenue by April 1st of each year. <http://webserver.rilegislature.gov/BillText/BillText23/Proposed23/S0427A.pdf>

S.1054, An Act Relating to State Affairs and Government, increases the number of members on the Department of Labor’s Board of Review from three to five. One of the new members must be a small business, defined as having thirty or fewer employees and less than $1 million in gross receipts. The Board of Review is an autonomous, quasi-judicial agency created by Rhode Island General Law. Its primary function is to hear and render decisions on appeals arising from the Department of Labor and Training (DLT), Unemployment Insurance and Temporary Disability/Temporary Caregivers Insurance divisions, and from employers on certain contested tax status issues. The Board of Review is statutorily independent from the Department of Labor and Training. S.1054 can be viewed at <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S1054.pdf>

S.821, An Act Relating to Labor and Labor Relations – Workplace Psychological Safety Act is back for a second hearing. It is unclear if a SubA will be posted prior to the meeting. This is the new version of what was previously called the workplace “bullying” bill. The bill begins by stating that employees have a right to a physically safe work environment and to a psychologically safe workplace. The term “employee” includes full and part-time workers, independent contractors and temporary employees. Employers have a “responsibility” to monitor, prevent, discourage and address issues or allegations of psychological abuse in the workplace. “Psychological abuse” specifically includes behaviors such as: exclusion, marginalization, spreading of lies, withholding vital information, abusive gestures, frequent request for work below competence level, long-term assigning of tasks beyond the employee’s duties without compensation, physical isolation, ignoring, regular inconsistent instructions, unmanageable workloads, taking credit for work, making snide comments or ridicule publicly, exclusion from work-related social gatherings, changes that could jeopardize future career prospects, discounting a person’s work proposals or opinions, persistent criticism, excessive monitoring, threat of dismissal, and changing work conditions or duties. Within ninety days of enactment, all employers must adopt policy procedures to comply with the law and train managers and supervisors to handle complaints. Employers must have an independent third-party reporting option for employees (which includes independent contractors). When psychological abuse occurs between employees of different employers, all employers are concerned are responsible for investigating and responding to the complaint. S.821 includes a quarterly reporting process; and establishes a fund to pay for state agency response to violations of the act. Employers will pay a premium – similar to workers compensation – in which each employer pays more as complaints are filed. The bill includes fines for employers that fail to properly respond to complaints, and to individuals that engage in psychological abuse. The bill can be read in its entirety at: <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0821.pdf>

If you wish to provide written testimony on any of these bills, email your comments by Wednesday at 12:00pm to [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov)

**Thursday, June 1st**

The Senate Judiciary Committee has a full agenda on Thursday that includes one bill the Chamber has been tracking. S.1043, An Act Relating to Labor and Labor Relations - Fair Employment Practices Act creates individual liability for any person, employer, or employees who directly or indirectly commit any act declared to be an unlawful employment practice. This bill seems to be aimed at overturning a 2017 Rhode Island Supreme Court decision - *Mancini vs City of Providence.* The case involved a Providence Police Sergeant who alleged he was illegally denied a promotion based on discriminatory factors; and he attempted to sue then Chief of Police, Hugh Clements, Jr. personally. The Rhode Island Supreme Court stated, *“****allowing for the possibility of individual li­ability would have a predictably chilling effect on the discretionary management decisions of supervisory em­ployees.”*** The Chamber encourages members of human resource staffs to submit testimony for the Thursday hearing at [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov)

The following new bills were filed last week:

Senate Bill No. [1079](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1079.pdf) Kallman **,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- PAYMENT OF WAGES (Increases the criminal penalties for wage theft and employee misclassification.) <http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1079.pdf>

Senate Bill No. [1081](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1081.pdf) Ciccone, F. Lombardi**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION -- BENEFITS (Amends sections of law relative to workers compensation benefits and medical services to be provided by the employer, employees not entitled to compensation, and additional compensation for specific injuries.) <http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1081.pdf>

Senate Bill No. [1082](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1082.pdf) Britto**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- HEALTHY AND SAFE FAMILIES AND WORKPLACES ACT (Amends the definition of employee to remove apprenticeships and interns and any other individuals pursuant to the provisions of the Fair Labor Standards Act (FLSA), 29 U.S.C. Section 203 et seq.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1082.pdf>

House Bill No. [6434](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6434.pdf) Craven, Caldwell**,**AN ACT RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE GENERALLY -- EVIDENCE (Provides that statements of apology or sympathy by a healthcare provider to a patient, patients relatives or representatives regarding a patients unanticipated medical care outcome are inadmissible as evidence of liability.) <http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6434.pdf>

House Resolution No. [6449](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6449.pdf) Carson**,**HOUSE RESOLUTION CREATING A SPECIAL LEGISLATIVE COMMISSION TO REVIEW AND PROVIDE RECOMMENDATIONS FOR POLICIES THAT DEAL WITH NUMEROUS ECONOMIC AND SOCIAL SHORT-TERM RENTALS ISSUES CONCURRENTLY (Creates a 15 member commission to review and provide recommendations for concurrent policies dealing with numerous economic and social short-term rentals issues, and report back by March 15, 2024, would expire on April 15, 2026.) <http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6449.pdf>