**Wage Theft Bill – Independent Contractor Update– CALL TO ACTION Continues**

The Senate Labor Committee passed S.1079 last week without a change to the definition of independent contractor. The bill would allow the Attorney General to charge a company with a felony for knowingly and willfully failing to pay employees on time, at the proper amount, withholding union dues, or paying terminated employees within 24 hours of the liquidation of a business. It also would be a felony to knowingly and willfully misclassify an employee as an independent contractor. The bill could still be amended on the Senate floor Thursday, June 8th. The Senate also has a bill by Senator Quezada (S.430) that seeks to change the definition of independent contractor. Should the House move forward on a definition change to the House version of the wage theft bill, the Senate could amend S.430 and Rhode Island businesses would still have to cease hiring independent contractors that no longer fit the definition or face felony charges and prison time.

**We ask you to continue to contact your legislators and the leadership on this issue. If you operate your business as a sole proprietor or if you hire independent contractors, it is imperative that you tell your legislators how a change in the definition might 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!

**This Week at the State House**

**Tuesday, June 6th**

**The House Corporation Committee** will vote on S.171SubA, An Act Relating to Commercial Law – Unfair Sales Practices. This bill addresses subscriptions that automatically renew. Businesses offering such subscriptions would be required to provide clear and conspicuous notice about the renewal process, how to cancel the renewal, including a link if it is in electronic form. The specifics amended bill can be found at:

<http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0171A.pdf>

**The Senate Commerce Committee** is voting on S.759, An Act Relating to Commercial Law – Gift Card Fraud. S.759 bans businesses of any type from selling gift cards unless a notice is posted at the location of the sale cautioning consumers about potential gift card scams and disclosing what a consumer should do in the event the person is a victim of a gift card scam. Employers must also train employees on how to identify and respond to gift card fraud. The bill can be viewed at: [http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0759.pdf](about:blank)

**Senate Finance** has two bills on the voting agenda Tuesday at the Rise in room 211, and one for hearing.

VOTE - S.716, An Act Relating to Labor and Labor Relations – Employment Security, removes the sunset in the State’s unemployment benefits law thus allowing individuals to continue to receive a higher level of income before disqualifying for unemployment benefits. The bill also retains the higher amount of earnings that is disregarded when calculating benefits. Both of these programs were adopted during the pandemic. This bill makes those changes permanent. <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0716.pdf>

VOTE - S.988, An Act Relating to Motor and Other Vehicles – Parking Facilities and Privileges. This bill requires large employers – defined as those with 100 employees located in a single complex – to install circuitry and other necessary equipment to support Level 2 or DC fast chargers in new parking lots as well as lots undergoing a 50% expansion renovation. The mandate also applies to big box stores, grocery stores, housing developments with more than twenty units, malls, hotels, and certain municipal buildings. For businesses, the costs associated with compliance will depend upon the infrastructure needed, equipment desired, software and electricity cost. Electrical conduits may require an upgrade. An existing 240-volt circuit may require only a few hours of an electrician’s labor, while a 480-volt circuit could cost tens of thousands. A December, 2021 Rhode Island report estimated the cost for make-ready work for a Level 2 charging station ranges from $7000 per port to $14000 per station with two ports, and roughly $45,000 - $50,000 per port for a fast-charging station *(Electrifying Transportation: A Strategic Policy Guide for Improving Public Access to Electric Vehicle charging Infrastructure in Rhode Island).* A level 2 charging unit ranges from $4500 to $8200, but they offer a small mileage range of charging. A DC fast charging unit costs between $28,000 and $140,000 depending on the kW charging capacity. These units allow for 200 plus mileage charging. A business also will likely need to paint striping on the lot and install some type of protective posts to protect the unit. The mandated number of parking spaces dedicated to EV charging stations depends upon the number of total spaces in the parking lot. (6-10 spaces = 1 EV; 11-25 spaces = 2 EV; 26-45 spaces = 3 EV; 46-65 spaces = 4 EV; 66-85 spaces = 5 EV; 86-105 = 6 EV spaces; 106-150 spaces = 7 EV; 151-200 spaces = 10 EV; and 201+ spaces = 6% of the total spaces must be EV-ready) The Chamber supports efforts to encourage voluntary installation of EV chargers, but opposes a blanket mandate.

HEARING - S.534, An Act Relating to Labor and Labor Relations – Temporary Disability Insurance will be heard in the committee. S.534 allows self-employed individuals to opt in to the TDI/TCI program. Self-employed individual choosing to opt in, become eligible to collect benefits after contributing to the program for twelve months. The bill also increases the taxable wage base to equal the Social Security contribution wage base starting calendar year 2024. In 2023, that wage base is $160,200. The current taxable wage base for TDI/TCI is $84,000. <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0534.pdf> To submit testimony on S.534, email it to [SenateFinance@rilegislature.gov](mailto:SenateFinance@rilegislature.gov)

**Senate Judiciary** is scheduled to vote out S.342, An Act Relating to Labor and Labor Relations – Fair Employment Practice. This bill states that it is an unlawful employment practice to require an employee as a condition of employment, to execute a nondisclosure agreement or an agreement with a clause that requires alleged violations of civil rights remain confidential, or a non-disparagement agreement concerning alleged violations of civil rights or alleged unlawful conduct. <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0342.pdf>

**Senate Labor** has two bills of interest scheduled for a vote on Tuesday. S.821, An Act Relating to Labor and Labor Relations – Workplace Psychological Safety Act is the omnibus bill that bans almost every type of interaction in the workplace if an employee finds it psychologically upsetting. The Chairman of the Committee, and sponsor of the bill, said an amendment will be forthcoming, but it has not been posted yet.

S.663, An Act Relating to Labor and Labor Relations – Payment of Wages, changes an employer’s responsibilities as it relates to providing for employees with statements of earnings. Today employers must include the hours worked, deductions from gross earnings and an explanation of those deductions. S.663 adds items such as the last four digits of the social security number, deduction explanations in the employee’s preferred language, the employer’s address and name, and output information if pay is based on quantity. S.663 also requires employers to provide a type of “mini employee handbook” to employees in each employee’s primary language. The information includes items such as: wage information, benefits, holiday information, sick time, and travel and expense policies. DataUSA reports that 22.4% of Rhode Island households report speaking a primary language other than English. While the most common non-English language spoken in Rhode Island is Spanish followed by Portuguese, there are reportedly forty-one languages spoken as a primary language in the State. Some families are fluent in both their primary language and English, others are not. S.663 requires employers to adapt to the needs of each individual employee.

**Wednesday, June 7th**

The House Labor Committee will be taking testimony on the annual workers’ compensation omnibus bill Wednesday at 3:30pm in Room 135. This is a bill reflecting recommendations made by the Workers’ Compensation Advisory Council – a committee that is well-balanced with stakeholders from all interested sides. View the recommended changes at: <http://webserver.rilegislature.gov/BillText/BillText23/HouseText23/H6461.pdf>

Testimony can be emailed to [HouseLabor@rilegislature.gov](mailto:HouseLabor@rilegislature.gov)

**House Finance Committee Passes Budget**

Friday afternoon, in a rare teaser press conference attended by the Governor, the Speaker of the House and the Senate President, we learned that the upcoming budget would include a reduction in the tangible tax for businesses, money for affordable housing and education funding. They each made it clear that the budget is a compromise as no side gets everything they want, but each saw certain priorities fulfilled. Three hours later the House Finance Committee met and voted to send the 288-page document to the House floor for a vote this Friday and possibly Saturday (June 9-10).

What’s In the Budget?

* Tangible Tax valuation reduction of $50,000. This will save businesses about $28 million. Approximate 75% of businesses will no longer have to pay the tax. Municipalities and fire districts will be reimbursed at the current level of lost revenue.
* Utilities Tax Relief shifted to next fiscal year. The Governor proposed a retroactive four-month credit for natural gas and electricity gross receipts tax paid by both residential and commercial customers. The budget shifts it to the upcoming year at a savings to customers of $35.6 million.
* First Wave Closing Fund gets half of the Governor’s request - $10 million (sunset pushed one year)
* Small Business Assistance for New Capitalization funded at $2 million (Governor requested $3.3) (sunset pushed one year)
* Creation of a Life Science Hub
* Transfer of $4.4 million to the Workers’ Compensation Fund to stabilize the Fund
* $800,000 for a mobile motor vehicle registry unit
* Hope Scholarship pilot program at RI College – The budget includes $4 million in general revenues for a “last-dollar” scholarship program to students during their third and fourth year at RICC who are in the graduating class of 2024, 2025 and 2026. The program would sunset July 1, 2028
* $5 million of federal recovery funds for Fresh Start Scholarships. These scholarships are for adults with some college credits, but no degree with a focus on students who dropped out of the Community College.
* Extension of sunsets for the following economic development programs: Rebuild RI, RI Tax Increment Financing, Tax Stabilization Incentive, Redevelopment Project Fund, and Stay Invested in RI Wavemaker

What’s Out of the Budget?

* Sales tax reduction from 7% to 6.85%. This would have resulted in a revenue loss of $25.4 million in FY24 and $34.7 million in FY25
* Reduction in the corporate minimum tax from $400 to $375. This change would have reduced revenue by $1.1 million
* Freezing the scheduled increase in the gas tax. The tax is set to increase three cents per gallon July 1st. The removal of the freeze is estimated to add $26.6 million to general revenues.
* Exemption from sales tax of the trade-in value of trucks with a gross weight of 14,000 pounds or less. This change was estimated to reduce revenues by $3.8 million in FY24 and $5 million in FY25