**Legislature Prepares to Enter Break Week**

This week will mark the end of phase two of the legislative session. Most bills filed prior to the February deadline have received a hearing in the House. The Senate has moved more slowly in its introduction of bills, for appropriate reasons, leaving many hearings to come. The General Assembly will be on break from April 10th through April 14th. When the legislature returns, we can expect numerous Senate hearings, posting of amendments to bills, passage of bills, and a focus on the development of the FY2024 budget.

**Senate Leadership Announces Support for Tangible Tax Relief**

At the Chamber’s Eggs and Issues breakfast last week, Senate President Dominick Ruggerio and Senator Melissa Murray announced the introduction of legislation to eliminate the tangible tax for approximately 85% of businesses in Rhode Island. This nuisance tax is well known to companies, as it is not only a double tax on equipment and furniture, but the annual filing form requires time as owners report the value of items purchases, the number of years each piece of equipment/furniture has been in use, and then calculates the depreciation to arrive at a final value for each item in use.

The legislation would provide a $100,000 exemption to all tangible tax accounts. Those with more than $100,000 worth of tangible assets would have to pay the tax on the assets above $100,000, but would still receive an equal amount of tax relief. Since the tangible tax is a municipal-level tax rather than a state one, the state would reimburse each city, town and fire district annually for their lost revenue, just as it does for revenue they lost from the phased-out vehicle excise tax. The exemption is estimated to save businesses about $36.6 million.  
  
The legislation would take effect in fiscal year 2025, with reimbursement based on the prior year’s FY 2024 tax roll. The bill would also require municipalities and fire districts to cap their tangible property tax rate at the level applied in fiscal year 2023. The tax cap would not apply in the case of municipalities and fire districts that utilize a uniform tax rate for all classes of property.

The Chamber has been working with RIPEC on this issue. RIPEC completed a study on the tangible tax to assist legislators in understanding the financial impact associated with various levels of tangible tax exemption options. The Chamber thanks RIPEC for its hard work on this issue. The bill has yet to be assigned a number.

**This Week At the State House**

**Tuesday, April 4th**

The House Committee on Innovation, Internet & Technology is meeting at the Rise (approximately 4:30pm) in Room 135. Two bills of interest will be heard by the committee members.

H.5684, An Act Relating to Criminal Offenses – Identity Theft Protection Act of 2015, amends notification requirements when a company experiences a security breach. Under current law, business that use or store personal information – including account numbers and credit card numbers, among other items – must notify consumers of a breach within 45 days of the breach event. This timeframe was meant to provide businesses with the time needed to close off any unauthorized access and stop bad actors from doing more harm before the breach becomes public. H.5684 shortens the notification deadline to 15 calendar days; and the State Police must be notified within 24 hours of the detection of the breach. The legislation also awkwardly refers to employees of a local bargaining unit, and the requirement to notify the union leadership of the breach if employees are unionized. This language makes sense, if the business affected is a state or local government, but does not make sense if the breach takes place in a private company with affected customers. Any business that fails to comply with the notification rules is subject to a civil penalty of $100 per record for a reckless violation, and $200 per record for a knowing and willful violation. The language in the bill calls for an effective date upon passage.

H.6236, An Act Relating to Commercial Law – Rhode Island Data Transparency and Privacy Protection Act, is an eighteen page bill that seeks to restrict the sale of an individual’s personal information to third parties. This often happens on the internet and is why you see pop-up ads for products and services related to internet searches and other on-line activities. But there are many reasons businesses collect and sell data to assist customers. H.6236 applies to owners of websites or online services with more than ten employees. Personal data includes a name and a credit card number, or a license number, debit card number, geolocation data, etc. An owner of such a site must clearly disclose all of the categories of information it collects, as well as all third parties to whom the owner discloses the information. Customers must be given an opportunity to opt out of the collection of the data, and they must be permitted to review any data collected and to correct it if they wish. The bill exempts company loyalty programs, rewards programs and club programs such as discount clubs. H.6236 exempts financial institutions and HIPAA organizations, but then pulls them back in on the last page of the bill. The bill exempts a number of specialized entities like educational facilities, human research programs, contractors working with the government, etc. Violations of the proposal fall under the penalties of the deceptive trade practices act and includes a fine of $100 to $500 for each inappropriate disclosure of data. There is no private right of action permitted. This bill is very comprehensive. If you have an interest in this issue, the bill can be viewed at: <http://webserver.rilegislature.gov/BillText/BillText23/HouseText23/H6236.pdf>

Written testimony can be submitted to the committee at: [HouseInnovationInternetandTechnology@rilegislature.gov](mailto:HouseInnovationInternetandTechnology@rilegislature.gov)

**Wednesday, April 5th**

The House Corporations Committee is meeting at 4:00pm in Room 101. H.5664, An Act Relating to Corporations, Associations and Partnerships – The Rhode Island Limited Liability Act, provides members of an LLC with the ability to avoid dissolution if one or more members wish to buy out those members who want to dissolve the corporation. A member could file with the court, and notify the other members of the desire to stop the dissolution. If necessary, the court can help to decide the value of the company, and those members who wish to remain in the LLC can pay the proportionate share to transfer the LLC. The bill can be viewed at: <http://webserver.rilegislature.gov/BillText/BillText23/HouseText23/H5664.pdf> If you wish to submit written testimony, submit it to: [HouseCorporations@rilegislature.gov](mailto:HouseCorporations@rilegislature.gov)

The following new bills have been filed:

House Bill No. [6232](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6232.pdf) Azzinaro, Corvese, Cardillo, Noret, J. Lombardi, Diaz, Hull, Fellela, Bennett, Kennedy**,**AN ACT RELATING TO INSURANCE -- ACCIDENT AND SICKNESS INSURANCE POLICIES (Annually increases the rate of physicians’ reimbursement for each in-network health care service that are reimbursed below the average reimbursement rates set by Connecticut and Massachusetts.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6232.pdf>

Senate Bill No. [855](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0855.pdf) Gu**,**AN ACT RELATING TO HEALTH AND SAFETY -- STATE BUILDING CODE (Requires the state building code standards committee to revise the state energy conservation code to meet 2024 International Energy Conservation Code electric readiness provisions.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0855.pdf>

Senate Bill No. [858](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0858.pdf) Gu, Pearson**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- 2021 ACT ON CLIMATE (Requires an owner of a stationary refrigeration system in Rhode Island to register their system with the department of environmental management.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0858.pdf>

Senate Bill No. [884](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0884.pdf) Mack, Kallman, Euer**,**AN ACT RELATING TO TOWNS AND CITIES -- GENERAL POWERS (Assess a vacancy tax of one percent (1%) of the total assessed value of all real property based on the real property's assessed value for vacant units.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0884.pdf>

Senate Bill No. [888](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0888.pdf) LaMountain, Lauria, McKenney, Tikoian, Burke, Valverde**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- RHODE ISLAND NONCOMPETITION AGREEMENT ACT (Prohibits noncompetition agreements except for noncompetition agreements between a seller and buyer of a business.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0888.pdf>

Senate Bill No. [909](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0909.pdf) Mack, Euer**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- GREEN JUSTICE ZONES AND ENVIRONMENTAL JUSTICE (Establishes the first Green Justice Zone and environmental justice, a model that may be replicated in future years to ensure that all communities throughout the state have clean air and clean water.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0909.pdf>

Senate Bill No. [911](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0911.pdf) Mack, Kallman, Murray, Valverde, Bell, Ujifusa, Acosta, Euer, Lawson**,**AN ACT RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT (Creates a tenant bill of rights to the right to counsel, the right to habitability, the right to organize free, the right to be free from discrimination, the right to first refusal if the landlord decides to sell the property, and right to renew lease.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0911.pdf>