**\*\*\* Call to Action!!! We Still Need Your Help \*\*\***

**Wage Theft and Independent Contractor Misclassification Felony - H.5902**

As previously reported in Advocacy in Action, the Attorney General has requested a change in the law to increase the criminal consequences for failing to pay employees properly and for misclassifying individuals as independent contractors instead of employees.

***There is a strong movement 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.***

Under consideration is a definition that states individuals may only be independent contractors if their activities are outside the normal course of a business’s activities. If you have a bookkeeper on staff, you could not hire an independent contractor to complete payments or financial reports. If you are a hairdresser that rents a chair, you will have to become an employee, no longer able to work for yourself. If you are a nursing home with nurses on staff, per diem nurses paid as independent contractors could not be hired. If you have an IT person on staff, you could not hire an independent contractor to trouble shoot a particular problem. If your employee takes FMLA, you cannot hire an independent contractor to fill in during the absence.

A second test under consideration bases the decision on control over the employee and whether the occupation is one that is traditionally filled by independent contractors. To legally be an independent contractor under this alternate test, the person must meet both factors. The courts will have to decide which occupations fall into that category and how to handle emerging occupations going forward.

If H.5902 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.

**We 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 not to change the definition of an independent contractor. 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. Also, we ask that you send the email to rep-shekarchi@rilegislature.gov

Thank you for your help!

**Tuesday, May 23rd**

The Senate Finance Committee will be voting on S. 928, An Act Relating to Taxation – Statewide Tangible Property Tax Exemption. S.928 provides a tangible property assessed value exemption up to $100,000 beginning in the tax year ending December 31, 2024. An estimated 85% of all current tangible property taxpayers would have no tax liability once the $100,000 exemption level is reached. That means approximately 32,000 small businesses may no longer be required to file the annual tax form and to pay the tax. By passing this bill prior to the House creation of a budget, the Senate is sending a loud message that it wishes this language to be included in the budget document.

The Senate Commerce Committee is scheduled to vote on S.171, 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 and how to cancel the renewal. The specifics of the notice requirements can be found at: <http://webserver.rilegislature.gov/BillText/BillText23/SenateText23/S0171.pdf>

**Thursday, May 25th**

The Senate Environment Committee will vote on S.14, An Act Relating to Food and Drugs – Disposable Food Service Containers, prohibits food establishments from using polystyrene foam food containers, bowls, plates, trays, cartons, cups, lids, sleeves or plastic beverage stirrers. Agricultural fairs, farmers’ markets and food pantries are exempt. Violations of the act are subject to a $100 fine. The bill is effective upon passage.

Senate Labor has scheduled a vote on two bills of concern to the business community. The first one increases unpaid family leave. S.145, An Act Relating to Labor Relations – Rhode Island Parental and Family Medical Leave Act, increases the amount of parental or family leave available to an employee from thirteen (13) weeks to twenty-four (24) weeks in any two (2) calendar years. If an employer provides paid leave to employees for a period of time, the additional weeks added under this proposal may remain as unpaid leave. The bill calls for an effective date “upon passage.” The law, as it stands today, applies to employers with 50 or more employees. Leave is available for the care of family members, defined as “a parent, spouse, child, mother-in-law, father-in-law, or the employee himself or herself.”

The second bill, S.425, 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, businesses 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. S.425 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. Unless amended, the language in the bill calls for an effective date upon passage.

The following new bills were filed last week:

House Bill No. [6426](http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6426.pdf) Shekarchi, Blazejewski, Ackerman, Solomon, Edwards, Kazarian, Hull, Baginski**,**AN ACT RELATING TO HEALTH AND SAFETY -- THE RHODE ISLAND LIFE SCIENCE HUB ACT (Creates the Rhode Island Life Science Hub, a quasi-public corporate body and agency of the state to coordinate life science initiatives on behalf of Rhode Island.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/HouseText23/H6426.pdf>

Senate Bill No. [988](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0988.pdf) Lombardo, Ruggerio, Pearson, DiPalma, Zurier, Acosta, Gu, Britto, F. Lombardi, DiMario**,**AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- PARKING FACILITIES AND PRIVILEGES (Requires electric vehicle parking spaces in new and expanded parking lots.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S0988.pdf>

Senate Bill No. [1000](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1000.pdf) Pearson**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- THE RHODE ISLAND ALL-PAYER HEALTH CARE PAYMENT REFORM ACT (Requires health insurance commissioner/Medicaid director convene a working group to develop models for reforming payment for healthcare insurers based on advanced value-based payment with annual reports to general assembly.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1000.pdf>

Senate Bill No. [1032](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1032.pdf) F. Lombardi, LaMountain, McKenney, Ujifusa, Zurier, Euer**,**AN ACT RELATING TO TOWNS AND CITIES -- ZONING ORDINANCES (Amends certain general laws relative to zoning ordinance variances, special use permits, modifications thereto and also amends provisions relative to substandard lots of record and the merger of such lots.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1032.pdf>

Senate Bill No. [1033](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1033.pdf) Pearson, McKenney**,**AN ACT RELATING TO TOWNS AND CITIES -- RHODE ISLAND COMPREHENSIVE PLANNING AND LAND USE ACT (Amends the required contents of a comprehensive plan providing that the "implementation program" component of the requirements include a 5 year strategic plan to ensure that the comprehensive plan goals and policies are implemented in a timely fashion.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1033.pdf>

Senate Bill No. [1035](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1035.pdf) Burke**,**AN ACT RELATING TO TOWNS AND CITIES -- ZONING ORDINANCES (Provides that adaptive reuse for the conversion of commercial property into residential or mixed-use developments shall be a permitted use and allowable by specific and objective provisions of a zoning ordinance, subject to certain restrictions.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1035.pdf>

Senate Bill No. [1043](http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1043.pdf) F. Lombardi, LaMountain, McKenney, Ujifusa, Euer, Zurier**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- FAIR EMPLOYMENT PRACTICES (Prohibits an employer, employment agency, labor organization, or employee from directly or indirectly committing any act declared to be an unlawful employment practice or the employee or employer may be held personally liable.)

<http://webserver.rilin.state.ri.us/BillText/BillText23/SenateText23/S1043.pdf>