**An Update from the State House**

**What’s in the Governor’s Budget – Article 2**

Article 2 deals with various state funds.

1. Creates a restricted receipt account for registration fees collected from real estate appraisers, called the CLRA Account. The state can establish fees for applications, exams and late fees. The Annual fee for a residential or general appraiser certificate is currently $200. The account would be used to finance costs associated with real estate appraiser registrations.

2. Creates a restricted receipt account for fees collected in association with the licensing of appraisal management companies. Like the CLRA Account, the monies collected in the restricted receipt account are to be used for registration operations within the Department of Business Regulation.

3. Creates a restricted receipt account called the “State Authorization Reciprocity Agreement” (SARA). Rhode Island’s Council on Postsecondary Education is responsible for, among other things, entering into interstate reciprocity agreements regarding postsecondary distance education. Many states have programs to oversee education facilities providing degrees through internet learning opportunities. The monies collected through fees would go to fund our State’s oversight functions.

4. Creates a restricted receipt account within the Department of Health. All administrative fees or penalties levied by DoH would be deposited into the account, called the “health systems monitoring and compliance” account for use by DoH.

5. Eliminates all marijuana licensing restricted receipt accounts, the “State Authorization Reciprocity Agreement” account, and the “De Coppett Estate Fund” from the 10% agency cost recovery allotment. If a state agency has responsibility for overseeing a restricted receipt account, that agency receives 10% of the funds collected for the account, as an administration fee. The state can deny the transfer of the administration fee, but it must be specifically stated in statute.

**Article 3 – Relating to Government Reform**

1. Article 3 begins by addressing the Warwick Airport Parking District. Currently an operator of a transient parking area pays a permit fee of $10 for each space available for parking up to a maximum of $250. This Article eliminates the permit fee.

2. Eliminates the $1 duplicate license fee for Class P liquor licenses for caterers. The license fee will remain at $500, but no fee will be charged for duplicate licenses.

3. Eliminates the requirement for cities and towns to have an “inspector of hides and leather.”

4. Makes numerous changes to the Contractor’s Registration and Licensing Board (CRLB). First, any current decisions made by the Board can be contested to the Executive Director of the Board. Article 3 transfers the hearing review responsibilities to the Department of Business Regulation. The CRLB would not be required to hire an Executive Director, only “necessary staff.” Today, each municipality must require contractors to sign a written affidavit, subject to penalties of perjury, that the contractor is properly licensed with the CRLB. Article 3 eliminates the affidavit requirement but still requires the municipalities to require the contractor to be registered. Lastly, the current law allows the CRLB Executive Director to suspend or revoke a license in the event he/she feels a health or safety issue is present thus creating an emergency. The budget transfers that authority to the Department of Business Regulation.

5. Eliminates the 10 hour OSHA safety course requirement for roofing contractors. Roofing contractors would still be required to take 10 hours of continuing education – but over a 2-year period instead of each year. The Article eliminates the need for a roofing contractor to be bonded in the aggregate amount of the total dollar value of any contract, but also increases the mandatory insurance certificate amount from $1.5 million to $2 million.

6. Curiously, Article 3 transfers the responsibility to enforce the State’s false advertising laws from the Department of Business Regulation, to the Department of Labor and Training. RIGL 11-18-10 states that no person or business can disseminate or circulate a message to the public, whether through print, audio, picture, video…, that includes any representation which is “untrue and designed to be deceptive or misleading…” Anyone doing so can be fined $50 - $500 and/or imprisoned up to 90 days. It is unclear if the Governor proposes to transfer employees to DLT to perform this new function.

7. Eliminates the $10 fee for a motor carrier license, as well as the $10 fee for the decal that must be displayed in the window of a motor carrier vehicle.

8. Transfers responsibility for overseeing gasoline pump price displays, mandatory safety signs, air pump notifications, brand displays and other required gasoline station signage from the Department of Business Regulation to the Department of Labor and Training. The Article also eliminates the $5 fee station owners must pay to the state when they close down a station.

9. Requires all state employees that have access to federal tax return information, to complete a fingerprint-based criminal background check initially, and then again every 10 years. The state will pick up the cost for current employees; however, new hires will be required to pay the fee. The same background check will be required for all vendors that have access to federal tax information. An agency can accept a background check that was performed for another “suitable jurisdiction.”

10. Requires persons seeking employment (or volunteering) at a family day care, group day care or child day care center to undergo a criminal background check. This requirement also extends to foster families and adoptive homes. If a child care activity is to take place in an individual’s home, any member of that household must also undergo the background check.

11. Exempts from licensing mixed martial arts exhibitions that are for amateurs only and are under the control of an educational institution, religious or charitable organization. The top prize for such an event cannot be more than $25.

12. Transfers the Small Business Ombudsman office from the Office of Regulatory Reform to the Department of Business Regulation.

13. Requires employers with an average withholding tax amount of $200 or more per month in the previous calendar year, to file and remit withholding tax payments by electronic funds transfers or another electronic means. Failure to submit the tax electronically will result in an increased tax assessment equal to 5% of the tax owed – or $500 whichever is less – and an additional fee of $50. This new system would be effective January 1, 2020.

The following bills were filed last week:

House Bill No. [5156](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5156.pdf) McNamara, Ackerman, Jackson, Solomon, Bennett**,**AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX (Excludes pension income from taxation under the same circumstances as social security exclusion.)

House Bill No. [5159](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5159.pdf) Bennett, Edwards, Walsh, Ucci, Hawkins**,**AN ACT RELATING TO TAXATION (Provides a tax credit for community service hours provided by state residents to certain not for profit entities and municipal departments that are certified to issue credits for state community service volunteerism hours.)

House Bill No. [5163](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5163.pdf) Phillips, Solomon, Shekarchi, Ucci, Hawkins**,**AN ACT RELATING TO MOTOR AND OTHER VEHICLES - RHODE ISLAND UNIFORM COMMERCIAL DRIVER'S LICENSE ACT (Permits applicants for commercial driver’s licenses to carry over parts of the required examinations that they passed for a period of two years and require them to retake those portions not passed.)

House Bill No. [5175](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5175.pdf) Edwards, Canario, Almeida, Bennett**,**AN ACT RELATING TO PUBLIC PROPERTY AND WORKS -- LABOR AND PAYMENT OF DEBTS (Amends the definition of public works so that it would include any public works projects performed for any city or town or quasi-municipal entity and the state and any quasi-state entity.)

House Resolution No. [5186](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5186.pdf) Tanzi, Shanley, McEntee, Craven, Vella-Wilkinson**,**HOUSE RESOLUTION REINSTATING AND EXTENDING THE COMMISSION LIFE AND AMENDING THE PURPOSE OF THE SPECIAL LEGISLATIVE COMMISSION TO STUDY UNLAWFUL SEXUAL HARASSMENT IN THE WORKPLACE (Reinstates the membership, extends the reporting and expiration dates, and amends the purpose of the commission to study unlawful sexual harassment in the workplace from May 29, 2018, to May 30, 2019, and expires on July 30, 2019.)

House Bill No. [5189](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5189.pdf) Morin, Ucci, Vella-Wilkinson, Marszalkowski, O'Brien**,**AN ACT RELATING TO TAXATION -- WITHHOLDING OF TAX (Provides that the non-resident withholding requirement for a corporation that sells real estate be consistent with the seven percent (7%) corporate income tax rate.)

House Bill No. [5194](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5194.pdf)  Marshall, O'Brien, Morin, Vella-Wilkinson, Millea**,**AN ACT RELATING TO TAXATION -- HISTORIC PRESERVATION TAX CREDITS 2013 (Repeals the sunset provision of chapter 33.6 of title 44 which grants tax credits to individuals or companies redeveloping historic structures.)

House Bill No. [5207](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5207.pdf) Kennedy, Abney, Azzinaro, Johnston, Casey**,**AN ACT RELATING TO INSURANCE -- TRAVEL INSURANCE ACT (Creating the travel insurance act to establish comprehensive/uniform regulatory framework for travel insurance. Clarifying/bolstering enforcement authority over participants in the travel insurance industry.)

House Bill No. 5208 Phillips, Amore, Serodio, Morin, Casey**,**AN ACT RELATING TO HEALTH AND SAFETY (Encourages commercial property owners to install vehicle barriers at their retail establishment locations, and also permits insurers to consider the installation of such barriers to provide a discount on the owner's insurance policy.)

Senate Bill No. [37](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0037.pdf) Ruggerio, Goodwin, McCaffrey, Algiere, Conley**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- VIDEO-LOTTERY GAMES, TABLE GAMES AND SPORTS WAGERING (Authorizes and provide for online sports wagering through authorized hosting facilities in Rhode Island.)

Senate Bill No. [40](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0040.pdf) DiPalma, Conley, Euer, Goldin, Paolino**,**AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS - INTERNET SERVICE PROVIDERS - NET NEUTRALITY (Requires Internet service providers to follow Internet service neutrality requirements.)

Senate Bill No. [48](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0048.pdf) Conley, Lombardi, Crowley, Felag, Pearson**,**AN ACT RELATING TO TAXATION -- PERSONAL INCOME TAX CREDIT (Establishes personal income tax credit for persons incurring expenses caring for relative requiring assistance with daily living activities certified by a licensed physician for tax years from/after 12/31/19.)

Senate Bill No. [50](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0050.pdf) Picard, Murray**,**AN ACT RELATING TO TAXATION -- PROPERTY SUBJECT TO TAXATION (Provides that a nonprofit hospital facility converted from for-profit hospital facility would have a payment in lieu of tax agreement with the applicable city or town or subject to a municipal payment equal to sixty-five percent (65%) of the tax due.)

Senate Bill No. [55](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0055.pdf) Conley, Cano, DiPalma, Felag, Pearson**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT - ESTABLISHING A SMALL BUSINESS DEVELOPMENT FUND (Establishes small business development fund to encourage formation of private capital investment in underserved small businesses with annual report and termination after 6 years.)

Senate Bill No. [57](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0057.pdf) Satchell, Conley, Metts, Picard, Cano**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- MICRO ZONE ECONOMIC REVITALIZATION ACT (Creates micro zones in distressed areas to stimulate economic revitalization/employment opportunities/business development through redevelopment of abandoned industrial/commercial structures.)

Senate Bill No. [61](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0061.pdf)  Coyne, Seveney, DiPalma, Euer, Valverde**,**AN ACT RELATING TO TAXATION -- LEVY AND ASSESSMENT OF LOCAL TAXES (Authorizes cities/towns to establish a property tax credit program in exchange for volunteer service by persons over age 60 up to $1,500 calculated by multiplying service hours by the state minimum wage per hour.)

Senate Bill No. [71](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0071.pdf) Picard**,**AN ACT RELATING TO PROPERTY -- RESIDENTIAL LANDLORD AND TENANT ACT (Prohibits residential landlords from terminating period tenancies from December 1 to February 1 and would require sixty (60) days written notice to the elderly or disabled.)

Senate Bill No. [90](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0090.pdf) Ciccone, Pearson, Quezada, Crowley, Felag**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- HEALTHY WORKPLACE (Creates the "Healthy Workplace Act of 2019" and would establish a cause of action against employers and employees for workplace bullying, harassment and other abusive conduct.)

Senate Bill No. [107](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0107.pdf) Algiere, Morgan, Paolino, de la Cruz, Rogers**,**AN ACT RELATING TO TAXATION - BUSINESS CORPORATION TAX (Reduces the minimum corporate tax from four hundred dollars ($400) to two hundred fifty dollars ($250) for the year beginning on July 1, 2019, and abolishes the minimum tax for tax years beginning on or after July 1, 2020.)

Senate Bill No. [109](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0109.pdf)  Lynch Prata, Metts, Cano, Quezada, Pearson**,**AN ACT RELATING TO PUBLIC PROPERTY AND WORKS - MINORITY BUSINESS ENTERPRISE (Provides that any minority business enterprise that is certified under the Federal Small Business Act shall be deemed certified by the department of administration as a minority business enterprise.)

Senate Bill No. [112](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0112.pdf) (General Treasurer) Cano, Gallo, Goodwin, Paolino, McCaffrey

**ENTITLED,**AN ACT RELATING TO EDUCATION -- FINANCIAL LITERACY (Mandates that a program of financial literacy be taught to all students in the public high schools throughout the state of Rhode Island.)

Senate Bill No. [122](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0122.pdf) Archambault, Felag, Conley, Cano, McCaffrey**,**AN ACT RELATING TO TAXATION - START-UP RHODE ISLAND TAX FREE ZONE PROGRAM (Establishes the "Start-Up Rhode Island Act," whereby selected businesses would not be required to pay state income, business, corporate taxes, local taxes or franchise fees for a period of up to ten (10) years.)

Senate Bill No. [134](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0134.pdf) DiPalma, Pearson, Felag, Seveney, Cano**,**AN ACT RELATING TO TAXATION - WITHHOLDING OF TAX (Provides that the non-resident withholding requirement for a corporation that sells real estate be consistent with the seven percent (7%) corporate income tax rate.)

Senate Bill No. [169](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0169.pdf) Quezada, Euer, Bell, Metts, Crowley**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- WRONGFUL DISCHARGE FROM EMPLOYMENT (Ends Rhode Island's "employment-at-will" legal doctrine, provides job protection for employees that satisfactorily perform their duties provides specific remedies for wrongful discharge.)

Senate Bill No. [172](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0172.pdf) Goodwin, Goldin**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- EQUAL PAY DATA COLLECTION AND REPORTING (Requires employers with 100 employees to yearly submit a form to the department of labor and training, which contains information regarding the compensation and hours worked of employees by age, gender, race, ethnicity, job category and occupation title.)

Senate Bill No. [174](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0174.pdf) Lynch Prata, Goodwin, Metts, McKenney, Conley**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS - MINIMUM WAGES (Increases the hourly minimum wage effective January 2, 2020 to eleven dollars and fifty cents ($11.50) per hour and effective January 1, 2021, to twelve dollars and fifty cents ($12.50) per hour.

Senate Bill No. [175](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0175.pdf) Lawson, Ruggerio, Euer, Goodwin, McCaffrey**,**AN ACT RELATING TO LABOR - UNEMPLOYMENT BENEFITS DURING FEDERAL GOVERNMENT SHUTDOWN (Enables federal employees, who are working during a government shutdown but not receiving wages, to receive unemployment benefits while they are working but not getting paid.)

Senate Bill No. [179](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0179.pdf) Gallo, Sosnowski, Sheehan, Lombardo, Ciccone**,**AN ACT RELATING TO FOOD AND DRUGS -- HEALTHY BEVERAGE ACT (Creates the "Healthy Beverage Act" which would require that children's meals offered by restaurants include certain healthy beverage options if the beverage is automatically included in the meal.)