**An Update from the State House**

**Business Health Care Assessment Hearing**

The **House Finance Committee** will take testimony on Article 16, Section 4 of the Governor’s budget on **Tuesday March 19th, at the Rise – approximately 4:30 pm**. **Under The Dome featured this item last week, but the issue is on the hearing schedule today**. This section places a tax, on any employer with 300 or more employees, for each full or part-time employee that is receiving Medicaid assistance. The assessment is equal to 10% of the employee’s wage up to $1500 a year. So if an employee is paid $15,000.00 a year or more, and the employee is on Medicaid, the employer will receive a quarterly tax bill of $325. Working adults with disabilities are exempt as are non-profit organizations and government entities. It is not clear if non-profit means only 501(c)3 organizations. There is no safe harbor provision for employers who offered the employee health insurance and the employee refused coverage. Employers are barred from taking any adverse action against an employee that triggers the tax. Lastly, there is no avenue for an employer to determine how many employees are enrolled in Medicaid prior to receiving the quarterly tax bill.

**The Chamber strongly encourages you to contact your legislator if this issue is of concern to your business.**

**Senate Unveils Economic Package**

On Tuesday, the Senate held a press conference to release a package of proposed bills intended to improve Rhode Island’s economic climate. The bills fall into seven categories:

1. Speed up Building Inspections for Development

\* Limit the sharing of Building Officials to two communities and bar Building Officials from performing non-building code work until code work is complete

\* Allow a contractor to hire a qualified third party inspector or a state inspector to inspect work when a Building Official fails to inspect a unit within 48 hours of an inspection request. If a state inspector is utilized, the Town or City must reimburse the state for the cost. If it is a third party, then the contractor would pay.

\* Allow Building inspectors, if qualified, to sign permits for issues within their specialty

2. Expand Apprenticeship Opportunities

\* Require school building projects valued at $5 million or more to hire contractors that have apprentices and that can guarantee that 15% of the labor hours on the job will be performed by apprentices. An agency can lower the percentage if apprentices are not available in a particular discipline. Require public works contracts of $1 million or more to hire companies that employ apprentices.

\* Give school committees in K-12, the power to establish policies regarding implementation of career and technical education programs into the curriculum that include knowledge of careers

\* Align state apprenticeship laws with federal language. Determine when Rhode Island shall recognize out-of-state apprentices registered elsewhere and in Rhode Island

\* Request Governor’s Workforce Board to work with the Department of Labor and Training regarding the feasibility of expanding the Workforce Board’s non-trade registered apprenticeship grant program with a report date of January 1, 2020.

3. Create More Housing Opportunities and Incentives for Solar Energy

\* Require Cities and Towns to create comprehensive ordinances for solar-siting projects with an incentive to use sites like brownsfields, landfills, superfund sites, etc.

\* Include a housing density option for land zoned for housing developments. Within six months, the municipality must have a plan for replacing that lost residential density elsewhere in the municipality.

\* Direct the Office of Energy Resources to recommend megawatt expansion for the Public Utility Commission (PUC) approval and mandate reimbursement for interconnecting costs, determined by PUC.

\* Sets 10 megawatt limit in residential area, 4 megawatt limit in an area of environmental concern – both may be waived by the municipality

\* Expands allowances for Accessory Dwelling Units to be built in single-family residences for more family members than are currently allowed (current law allows for those 62 years of age or older or with disabilities). ADUs have separate kitchens, bathrooms and entryways but maintain the appearance of a single home.

\* Creates a study commission to encourage population growth with housing opportunities such as workforce housing, mixed, income neighborhoods and age-friendly housing.

4. Prepare Students for the Workforce

\* Create a 5 year, focused strategic plan to improve student performance and provide more opportunities for kids to be exposed to science, technology, engineering, arts and math (STEAM) education.

\* Requires the Office of the Postsecondary Commissioner to demonstrate financial stability and quality academics with consideration of workforce needs when approving for-profit higher-education programs that grant certificates.

5. Enhance Rhode Island’s Seafood Industry

\* Establish a “Right to Fish” law similar to the “Right to Farm” law to ensure local fishers and aquaculturists can’t be found to be public nuisance due to odor or noise of seafood or equipment

\* Include fisheries in the apprenticeship program to encourage the next generation of fishers

\* Reactivate the Senate Task Force on Fisheries to review statutes and regulations of the industry

6. Help Small Businesses and Breweries Grow

 \* Raise craft beer limits for sale to a full case of 24 beers for 16 oz. cans

\* Allow investors to raise a fund to make loans to early-stage investments in smaller companies (fewer than 250 employees) and in return, the investors get tax credits for their capital investments.

7. Examine Health Care Provider Reimbursement Rates

\* Gather data to examine the health care provider rates and how those rates compare to surrounding states in order to determine if the state is losing health care professionals to other states

The following bills were filed last week:

House Bill No. [5825](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5825.pdf) Azzinaro, Corvese, Costantino, Solomon, Phillips**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS - TEMPORARY DISABILITY BENEFITS AND CONTRIBUTIONS (Requires temporary disability contributions and benefits to be calculated based upon an employee's wages and salaries, that shall also include any sales commissions earned.)

House Bill No. [5830](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5830.pdf) Maldonado, Ucci, Barros, McNamara, Blazejewski**,**AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- LOCAL TOBACCO CONTROL ACT (Creates a comprehensive resolution scheme for cities and towns to follow concerning the sale and control of tobacco in their communities.)

House Bill No. [5847](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5847.pdf) Shekarchi, Solomon, Speakman, Blazejewski, Noret**,**AN ACT RELATING TO FINANCIAL INSTITUTIONS -- LICENSED ACTIVITIES--CURRENCY TRANSMISSIONS (Adds virtual currency to the existing electronic money transmission and sale of check licenses and adds additional regulatory provisions to simplify and clarify licensing related thereto.)

House Bill No. [5848](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5848.pdf) Jackson, McNamara, Bennett, Corvese, Noret**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS - PAYMENT OF WAGES (Increases penalties for violations of certain wage and hour laws.)

House Bill No. [5851](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5851.pdf) Cortvriend, Edwards, Ruggiero, Canario, Speakman**,**AN ACT RELATING TO PROPERTY -- DRY DOCK FACILITIES (Amends the lien and notice procedures for facility operators of dry dock facilities.)

House Bill No. [5854](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5854.pdf) Nardone, Filippi, Roberts**,**AN ACT RELATING TO TAXATION -- SALES AND USE TAXES--LIABILITY AND COMPUTATION (Reduces the rate for sales and use taxes from seven percent (7%) to six and one-half percent (6.5%) upon passage of federal law or court decisions authorizing states to require remote sellers to collect or remit rate or sales taxes.)

Senate Bill No. [527](http://webserver.rilin.state.ri.us/BillText/BillText19/SenateText19/S0527.pdf) (Dept. of Business Regulation) Felag**,**AN ACT RELATING TO ALCOHOLIC BEVERAGES - RETAIL LICENSES (Provides that Class F and F-1 liquor licenses may be issued to corporations, LLCs, and political organizations.)