**This Week At the State House**

**Legislature Moves to Provide Return to Work Incentives**

Both H.6249 and S.858 are scheduled to pass in committee this week. The bills could be on the Governor’s desk for his consideration by the end of this week or next week. If enacted, from May 23, 2021, through June 30, 2022, an employee will be deemed partially unemployed in any week of less than full-time work if he or she fails to earn in wages for that week an amount equal to the weekly benefit rate for total unemployment to which he/she would be entitled if totally unemployed and eligible. An employee shall be deemed partially unemployed in any week of less than full-time work if they fail to earn wages for that week in an amount equal to or greater than 150% of the weekly benefit rate for total unemployment to which they would be entitled if totally unemployed and eligible.

**Senate Labor Committee Passes Temporary Caregiver Expansion**

S.688, An Act Relating to Labor and Labor Relations – Temporary Disability Insurance Benefits was scheduled for a vote Monday in the Senate Labor Committee. The bill increases the temporary caregiver benefits to six weeks in a benefit year starting January 1, 2022; and eight weeks in a benefit year starting January 1, 2023.

**Transportation Climate Initiative Hearing**

On Wednesday at 3:30 pm, the Senate Committee on Environment and Agriculture will take testimony on the Transportation Climate Initiative – a regional cap and trade program for transportation fuels. If passed, Rhode Island would enter into a regional program with Massachusetts, Connecticut and Washington DC, to mandate the reduction of CO2 emissions generated from the use of fossil fuels in personal vehicles and commercial trucks. The regional program will be governed by a 153-page model rule developed by the Georgetown Climate Initiative.

TCI sets a specific number of emission allowances that can be sold at a quarterly auction run by the region. It is a sealed bidding process. Successful bidders can use the allowances to sell petroleum products to consumers or they can hold on to them, or sell them in the secondary market. Petroleum products cannot be sold to the public without possessing an allowance – and a fuel supplier can only sell product equal to the number of allowances they own. Each year, the regional TCI group will decrease the number of allowance available at auction by 3% thus driving down the available transportation fuel for sale and the CO2 emissions as well.

Money raised at the allowance auction are divided among the participating states and must be used, in Rhode Island, as follows: 35% to benefit “overburdened and underserved” communities, 5% to administration of the Rhode Island program, and the remainder to programs such as public transportation, zero-emission vehicles, bicycles, resilience, broadband internet programs and other programs that assist in transportation energy efficiency. The funds may not be used for the general budget.

Written testimony can be submitted to the committee by emailing it to: slegislation@rilegislature.gov \*Written Testimony must be submitted prior to 2:00 PM on Wednesday, May 19, 2021, in order for it to be provided to the members of the committee at the hearing and to be included in the meeting records.

Members of the public can request to provide verbal testimony to the committee through the following link: [VERBAL TESTIMONY](https://forms.office.com/Pages/ResponsePage.aspx?id=LBHmn1akN0aJ3A8oTO_8ZrrkHo3ATJRAp4ByeeV8cWRUMTJaSlJPQVFQUEUzMzE5WUYwVzg3Rk1BRy4u) \*Requests to provide verbal testimony must be submitted by 4:00 PM on Tuesday, May 18, 2021.

**Revenues Better Than Expected**

The Revenue Estimating Conference completed its work, giving way for the final phase of the budget process to begin. The good news – revenues are higher than previously anticipated. Total General Revenues for the current fiscal year are up an additional $177 million. The FY2022 estimated revenues are $146.7 million higher than anticipated back in November of 2020 when the Estimating Conference last met. Why are the numbers higher? The growth came from sales tax collections and personal income tax. Rhode Island is expected to collect $1.29 billion in sales tax this year ($79.5 million more than expected). The remote seller law is key to this result, as many people purchased items through the internet during the pandemic. Personal income tax collections are $89.6 million more than anticipated last November, for a total of $1.54 billion.

One area of tax decline came from the business corporations tax. In FY2019, the State collected $155.1 million in corporate income tax. Collections fell to $148.6 million in FY2020; and is expected to finish the current fiscal year at $114.5 million. The conferees do believe collections will rise to $147.2 million in FY2022 as we continue to emerge from the COVID pandemic. The other revenue stream that took a hit is the lottery. With casinos closed for much of the year, VLT and table games revenues were down as anticipated. Surprisingly, other non-casino lottery games were up $7.5 million and sports betting was up $3.4 million.

The legislature will now begin the final process of looking at the revenues, cash assistance and medical payment caseloads, repayment of any outstanding rainy day fund loans, along with all of the other state expenses, to create a budget.

The following new bills have been filed:

House Bill No. [6330](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6330.pdf)

**BY**  Craven

**ENTITLED,**AN ACT RELATING TO COURTS AND CIVIL PROCEDURE -- PROCEDURE IN PARTICULAR ACTIONS -- RHODE ISLAND COMMERCIAL RECEIVERSHIP ACT (Creates temporary non-liquidating receivership program for businesses with substantial revenue decline after declared emergency/suspended/ceased substantial part of operation resulting by emergency police/regulatory powers.)