**Session to Continue in Fall**

As May, 2021 is nearing a close, this normally would be the time legislative leaders would be discussing which bills to pass and which ones to leave in committee until the next year. However, both the House and Senate have signaled that, like everything else in 2021, this session will be different. The Finance committees are expected to continue to do their work on the current fiscal year budget and next year’s budget (begins July 1, 2021) with the hope of releasing a final document for consideration mid-June. Governor McKee announced that he will partially open the State House June 1st. We are expecting to hear from the House as to whether they will return to the capitol for session and to allow the public to interact with legislators to discuss policy for the state. The Senate has said in the past that it expects to finish this segment of the session from RI Community College. UTD will alert you to any changes, once announced.

It also appears that the legislature plans to return mid-September to deal with a federal stimulus funds budget as well as any legislative bills that remain alive in committees. This means any bill not passed by the General Assembly in June will remain up for possible consideration this fall.

**Minimum Wage Signed Into Law**

It is official. The Rhode Island minimum wage bills were signed into law by Governor McKee May 20th. The first increase to $12.25 per hour will take effect January 1, 2022. The wage will increase to $13.00, January 1, 2023; $14 January 1, 2024; and $15 January 1, 2025. The original bill called for the $12.25 to take effect in October, but was pushed to January at the request of the Chamber and other business groups.

**Governor Signs Employee Incentives to Return to Work**

Governor Mckee signed two bills allowing those partially unemployed to earn 150% of their weekly benefit rate before losing unemployment benefits. This new incentive to return to work program officially started May 23rd and continues until June, 2022.

**This Week At The State House**

**House Finance to Hear Environmental Bills and PPP loan bill**

Today at the Rise, (approximately 5:00 p.m.) the House Finance Committee will hear testimony on a number of bills. The deadline for requesting to testify verbally has passed, but written testimony can be submitted today by 1:00 p.m. to HouseFinance@rilegislature.gov Indicate your name, bill number, and viewpoint (for/against/neither) at top of message.

*H.5120, An Act Relating to Health and Safety – Economic and Climate Resilience Act of 2020*,

creates the Economic and Climate Resilience Fund and deposits into it, money collected through a carbon tax.  The tax is set at $15 per metric ton of carbon, charged at the first point of sale, and it increases by $5 per metric ton until it reaches $50 per metric ton.

The bill requires two other states (Massachusetts and one other RGGI state) to pass a carbon tax before the Rhode Island tax would become effective; but the other states only have to pass a carbon tax of $5 per metric ton, not an equal tax.  The following chart shows the cent per gallon or dollar per gallon impact on prices:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Emission Factor kg CO2/unit** | **Tax Rate per metric ton** | **Gasoline** | **Diesel** | **LPG** | **Natural Gas** |
|  |   | cents/gal | cents/gal | cents/gal | **Dollars/Mcf** |
| **First Year of Enactment** | 15 | 13.1 | 15.5 | 9.0 | **.8** |
| **Second Year of Enactment** | 20 | 17.5 | 20.7 | 12.0 | **1.1** |
| **Third Year of Enactment** | 25 | 21.9 | 25.8 | 15.0 | **1.4** |
| **Fourth Year of Enactment** | 30 | 26.2 | 31.0 | 18.0 | **1.7** |
| **Fifth Year of Enactment** | 35 | 30.6 | 36.2 | 21.0 | **1.9** |
| **Sixth Year of Enactment** | 40 | 35.0 | 41.3 | 24.0 | **2.2** |
| **Seventh Year of Enactment** | 45 | 39.4 | 46.5 | 27.0 | **2.5** |
| **Eighth Year of Enactment** | 50 | 43.7 | 51.7 | 30.0 | **2.8** |

International Carbon Bank & Exchange

http://www.icbe.com/carbondatabase/priceconverter.asp

In the first year of enactment alone, taxes assessed on gasoline, and diesel fuel could reach over $200 million.  The Chamber has not been able to determine the impact on electricity and natural gas customers.  This money would be paid by Rhode Island consumers throughout the year.  At the end of the year, the Department of Revenue is charged with issuing a refundable credit to tax returns for businesses and residents that pay taxes, or direct checks to those that do not owe taxes.

H.5120 gives 40% of the collected revenues to residents; but that 40% is not divided equally among the population.  First, the Division of Taxation would be required to divide the Rhode Island adult population into three equal groups: the lowest income earners, middle income earners and high income earners.  Then the 40% would be distributed as follows:  50% to the lowest third of income earners, 35% to the middle third of income earners and 15% to the highest third income earners.

The bill gives 30% of revenues collected to businesses.  Seventy percent (70%) of this revenue bucket would be distributed based on the percentage of full-time employees the business has compared to total employment in the state; and the remaining 30% goes to businesses most vulnerable to fuel cost increases from the tax.  The bill gives 28% to support climate resilience, renewable energy, energy efficiency, climate adaption and low carbon transition initiatives in Rhode Island.  And the final two percent (2%) is to be used for administrative expenses.

*H.5674, An Act Relating to State Affairs and Government – The Green Justice Zone Act*, creates a Green Justice Zone as a model that could be used in other areas of the state, with the first pilot program located in the Providence port area. It seeks to create a new governing board of 5 individuals, elected in a special election, open to residents of the green zone. Board members are paid and have the ability to hire staff as well as contractors. Any business that wishes to operate in the green zone would have to apply for a permit from the Board. No permit – no operation allowed. The bill then lays out a list of businesses that are not eligible to obtain a green justice zone permit: electric power plant that uses fossil fuel, waste storage facility, toxic material storage, fossil fuel storage, chemical manufacturing or storage, scrap metal storage or processing, cement, concrete or asphalt storage, incinerator, resource recovery facility, or large recycling facility. A number of these businesses are currently operating in the Port of Providence and would have to close if H.5674 passes.

*H.5807, An Act Relating to Public Property and Works – State Purchases*, requires the Director of the Department of Administration to promulgate rules giving preference in contract and/or subcontract awards to business enterprises whose highest paid executive receives compensation equal to 25 times or less than the median compensation paid to its nonexecutive employees. The requirement would not apply if it conflicts with the details of a federal contract or conflicts with federal law.

*H.6248, An Act Relating to State Affairs and Government – Small Business Assistance Program*, would create a forgivable loan program for new, existing or restarted small businesses with 50 employees or less for forgivable loans not to exceed $25,000. The program would be funded by federal stimulus funds modeled on the federal Paycheck Protection Program and would sunset December 31, 2021.

The following new bills have been filed:

House Bill No. [6347](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6347.pdf) Carson**,**AN ACT RELATING TO STATE AFFAIRS AND GOVERNMENT -- WATERS AND NAVIGATION -- MUNICIPAL RESILIENCY (Establishes flood audit program to reduce flood risks, mandates Rhode Island infrastructure bank increase funding for action grants, require cities/towns provide priority list to increase municipal resiliency, establish a climate leadership academy.) [H6347.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6347.pdf)

House Bill No. [6352](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6352.pdf) Morales, Slater, Ranglin-Vassell, Henries, Potter, Kislak, Williams, McGaw, Speakman, Batista**,**AN ACT RELATING TO LABOR AND LABOR RELATIONS -- DIGNITY AT WORK ACT (Establishes the Dignity at Work Act, to provide workers with more protection from bullying and harassment in the workplace.) [H6352.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6352.pdf)

Senate Bill No. [920](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0920.pdf) Acosta, Kallman, Bell, Miller**,**AN ACT RELATING TO HEALTH AND SAFETY -- DEPARTMENT OF HEALTH (Regulates the manufacture, distribution and retail sale of vapor products in Rhode Island.) [S0920.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0920.pdf)

Senate Bill No. [925](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0925.pdf) Goodwin**,**AN ACT RELATED TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS (Regulates the imposition of surcharges on any consumer when using a credit card to make a purchase or other business transaction.) [S0925.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0925.pdf)