**Last Week at the State House**

The plastic bags debate seemed to take on a life of its own last week. Governor Raimondo brought together members of the business community with members of the environmental advocacy groups to work out a compromise plastic bag ban bill. The task force met over the course of three months. In the end, a bill was presented to the Governor that included: (1) a ban on non-reusable plastic bags; (2) a mandatory charge of five cents per bag for an alternative, heavier plastic bag or a paper bag, the money remaining with the retailer to help cover the cost of the more expensive bag alternative; (3) a state-wide preemption clause to ensure all communities were enforcing consistent rules to avoid confusion for businesses. Two bills reflecting this long debated compromise were introduced at the request of DEM. That’s when everything started to fall apart. At the senate hearing on S.410, members of the environmental community, who participated in the Governor’s taskforce, pushed hard to add a stitching requirement to the alternative re-usable plastic bag alternative, to eliminate the per bag fee, and to change the preemption language. The Senate Environment Committee added the “stitching” language (which further increases the cost of providing alternative bags) but kept the preemption language as is. The House passed its version H.5671 by removing the five cent per bag fee and keeping the preemption language in place (the stitching language was not added). It is unclear how the two competing bills will fair in the end.

**This Week at the State House**

This week the House Finance Committee will vote out their version of the FY2020 budget. Both the House Speaker Mattiello and the Senate President Ruggerio are warning that this will not be an easy budget. House Finance Chairman Abney was quoted in GoLocal as saying the “candy store is not open.” The House Finance Committee had hoped to meet Tuesday, but as of Sunday night, the meeting had not been publicly posted (meetings require 48 hour public posting at this time – that requirement will be waived in the last days of session).

Rhode Island’s population is about 1.057 million. According to the Department of Labor website, approximately 438,000 individuals are working in the Rhode Island private sector. Approximately 61,400 people work for state, local and federal governments. While those numbers do not include transient farm workers, it still means roughly 47% of Rhode Islanders are working. At the last revenue Estimating Conference, members referenced the fact that about 320,000-340,000 Rhode Islanders are participating in public assistance programs during the year (30-32%).

The latest economic forecast released declared Rhode Island’s economy to have shown sluggish growth in 2018, expanding .6% ranking 47th out of 50 states (*Rhode Island Public Expenditure Council Report*). The gap is expected to widen in the next quarter. Rhode Island lost 2,800 jobs between December, 2018 and March, 2019.

This is the difficult backdrop legislators face as they try to present a balanced budget this week.

**Tuesday Set To Be a Difficult Day**

If you plan to be at the State House Tuesday, get there early and bring earplugs. The Senate Judiciary Committee has scheduled a vote on reproductive rights which will bring out many people, so prepare accordingly.

The Senate Finance Committee plans to vote on S.134, An Act Relating to Taxation – Withholding of Tax, which lowers the non-resident withholding requirement for a corporation that sells real estate to be consistent with the 7% corporate income tax rate. The Chamber has supported this change for a few years. The committee will also take testimony on S.278, An Act Relating to Taxation. S.278 makes it clear that a tax payment received by midnight on the date in which the tax becomes due and payable shall be considered “on time.” The bill also reduces the amount of penalty for taxes unpaid from a maximum of 21% to 10%. This is another pro-business, pro-taxpayer bill.

**Senate Labor Committee Considers Minimum Wage Increase**

On Wednesday, the Senate Labor Committee is scheduled to vote on S.174. The bill increases the minimum wage effective January 2, 2020, to $11.50 per hour and effective January 1, 2021, to $12.50 per hour. The Committee will also take testimony on S.908, An Act Relating to Labor and Labor Relations – Establishing the “Commuter Transportation Benefits Act.” The bill requires businesses with 20 or more employees to establish a pre-tax transportation benefits program; or provide transit passes to employees; or create a free transportation program to the worksite for employees. The act would become effective January 1, 2020, if passed.

The following bill was filed last week:

House Bill No. [6184](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6184.pdf) Caldwell, Speakman, Mendez, Vella-Wilkinson, Ackerman**,**AN ACT RELATING TO INSURANCE -- LIFE INSURANCE POLICIES AND RESERVES (Prohibits insurer from denying application/exclude/limit coverage under any life insurance policy based solely on prescription to carry or possess naloxone.)