**An Update from the State House**

Last Friday night, shortly before midnight, the House Finance Committee passed its version of the FY2019 budget. The budget is considered a work in progress as a few Articles passed with the acknowledgement that an updated version will be hammered out prior to the budget vote by House floor on Friday. The House is scheduled to go into session Friday, June 15th at 2:00 p.m. to debate and vote on the budget. The following is a description of a number of items found in the Finance Committee passed budget:

Fees assessed on the offering of **federal covered securities** in Rhode Island could be increased under the Finance Committee budget. The Governor had proposed increasing the maximum charge for the initial offering from $1000 to $1500. The Finance Committee budget raises the maximum to $1750. The Governor also proposed increasing the fee charged to open end management companies that file a “notice for an indefinite amount of securities” (and for a subsequent renewal) from $1000 to $1500. The Finance Committee budget increased the fee to $1750.

The Finance Committee chose to keep the Governor’s proposed $100 fee increase on **insurance claim adjusters** (new fee will be $250)

Food service establishments will no longer have to obtain a **frozen dessert license** in addition to the license required to operate as a food service establishment. An entity that is not a food service establishment but has frozen dessert machines will have to obtain the license. Additionally, food safety certifications will last 5 years instead of 3 years.

The **E 911 fund** was renamed the “Geographic Information System (GIS) and Technology Fund to describe more transparently the purpose of the fund. The fee associated with the fee did not change.

The Finance Committee eliminated the 25 cent increase in the **cigarette tax** (the current tax is $4.25 per pack) as well as the tax on vapor products, cigars and smokeless tobacco.

The Governor’s **Real Jobs program** did get funded, but the amount of interest to be taken from the Unemployment Insurance (UI) Fund will be less. The Governor included a diversion 100% of the UI interest earned on the fund to the Real Jobs program. The House did not favor the taking of the funds leaving this issue as one of the last issues to reach resolution during the budget negotiations. The Finance Committee lowered the diversion to 75% ($5.5 million) in efforts to ensure that the UI Fund continues to grow. The Committee stated that this is a one-time authorization of the diversion of the interest.

The Budget proposal sunsets the **Jobs Training Tax Credits** Act January 1, 2018.

The **Rhode Island State Work Immersion Program** – a “temporary, paid, work experience that provides a meaningful learning opportunity and increases the employability of the participant” - has been expanded to allow any Rhode Island resident to participate. Under current law, only post-secondary school students, recent college graduates and unemployed adults could participate in the program. Employers currently are eligible to receive a credit for up to 50% of the wages paid to a person for up to 400 hours of work during a 10 week period. The Finance Committee budget increases the credit to 75% of the wages paid during the participant’s work experience.

Finally, the Finance Committee budget places a **June 30th, 2020 sunset on a number of economic development programs**: Rebuild RI Tax Credit; RI Tax Increment Financing; Tax Stabilization Incentive; First Wave Closing Fund; I-195 Redevelopment Project Fund; Small Business Assistance Program; Stay Invested in RI Wavemaker Fellowship; Main Street RI Streetscape Improvement Fund; Innovation Initiative; Industry Cluster Grants; High School, College, and Employer Partnerships; and the RI New Qualified Jobs Incentive Act of 2015.

**This Week At the State House**

Many committees are meeting to consider bills such as immunity to entities or persons that donate food to a food bank, and the adoption of the federal electrical code.

One bill of note will be considered by the **Senate Labor Committee on Wednesday**. S.2471 (Senators Ciccone, Calkin, Goldin, Euer and Nesselbush) establishes a cause of action against employers and employees for **workplace bullying, harassment and other abusive conduct**. "Abusive conduct” is defined as “acts, omissions, or both, that a reasonable person would find abusive based on the severity, nature, and frequency of the conduct.” An employer is vicariously liable for the actions of its employees, unless the employer can show it exercised reasonable care to prevent and promptly correct any actionable behaviors AND the employee failed to take appropriate preventative or corrective opportunities provided by the employer.

The following bills were filed last week:

House Bill No. [8288](http://webserver.rilin.state.ri.us/BillText/BillText18/HouseText18/H8288.pdf)

**BY**  Regunberg, Tanzi, Vella-Wilkinson, Casimiro, Donovan

**ENTITLED,**AN ACT RELATING TO TAXATION - APPLICATION FOR TAX CREDITS, STATE FUNDS OR STATE CONTRACTS (Mandates applicants for state contracts in excess of $50K disclose discrimination complaints for prior 5 years.)

House Bill No. [8303](http://webserver.rilin.state.ri.us/BillText/BillText18/HouseText18/H8303.pdf)

**BY**  Marszalkowski, Carson, Donovan, Casimiro, Handy

**ENTITLED,**AN ACT RELATING TO FOOD AND DRUGS - FOOD DONATIONS (Provides immunity to persons donating food to food banks.)