**Last Week at the State House**

Last week the Senate Labor Committee amended S.174, a minimum wage bill, to require a $1.00 increase in the minimum wage starting January 1, 2020. The new minimum wage would be $11.50 per hour. The bill will be voted on by the full Senate Tuesday, June 18th.

The House Finance Committee passed a $9.9 billion budget Friday night at 11:50 pm. The timing allows the full House to take up the bill – H 5151 SubA – this Friday, June 21st with a scheduled start time of 2:00 p.m.

From a business point of view, this is a much better budget than the one unveiled by the Governor in January. The House and Senate members heard the concerns raised by the business community and responded. The following is a list of changes:

* The amended budget does not include the Medicaid assessment fee on employers. It does require the Executive Office of Health and Human Services to develop a plan to identify Medicaid eligible individuals who have access to employer sponsored insurance. The plan must include reports to the legislature outlining the number of Medicaid recipients with access to employer sponsored insurance, the number of plans that did not meet the cost effectiveness criteria for Rite Share and enrollment in premium assistance programs. This issue, depending upon the results of the study, could resurface in future years. Businesses may want to review their insurance plans and employee participation rates.
* The amended budget does not include an increase in the minimum wage
* It does not include the Governor’s proposed expansion of the sales tax to business services (landscaping, cleaning, extermination etc.), to interior design services, to lobbyist services, to gun and ammunition products, nor to non-profits related to taxable services. The budget did include the sales tax on digital downloads.
* The licensing fee for loan originators does increase from $100 to $400
* No increase in the cigarette tax, cigar tax or to vaping products was included
* The proposed budget does not include an increase in the hotel tax
* The increase in the beverage container tax from $.04 to $.08 on each case of beverage containers sold by a beverage wholesaler to a retailer or consumer did survive and is in the amended budget; as is the increase in tax on “hard-to-dispose” materials such as lubricating oils ($.05 per quart increase), antifreeze ($.10 per gallon increase), organic solvents ($.025 per gallon increase), and tires ($.50 per tire increase).
* The car tax phase out remains intact. The Governor had proposed to slow down the phase out
* The amended budget does delay the Northern RI Education Center site for one year. The delay, according to the House fiscal staff, is due to a delay in securing a site for the Center; therefore the 1.0 FTE and $100,000 was removed from the FY2020 budget
* There is a net $.25 per month increase in wireless telephone fees. The amended budget creates a restricted receipt account for 911 fees to be used for training and equipment. The 911 monthly surcharge on wireless lines reduces from $1 to $.50 for each line. But a new monthly surcharge is assessed on phone lines for first responder services of $.75 for each wireless line.
* Rhode Islanders will finally be required to obtain new license plates, but the cost is lower than originally expected - $8.00.
* No adult recreational marijuana legalization is included in the budget. The language does increase the number of medical marijuana dispensaries from three to nine. Testimony was given earlier that most medical marijuana states have a dispensary for every 3,000 patients. Rhode Island’s three dispensaries currently service 12,000 patients each.
* The amended budget includes a new Article that creates an Opioid Stewardship Act. The Opioid Stewardship Fund will collect $5 million from manufacturers or distributors of opioids (a formula for the share is in Article 13 SubA); and use that money for opioid treatment programs, recovery and prevention programs and related services.
* The amended budget increases the Small Business Assistance Program. The Governor included $250,000 in her budget; the amended budget increases the fund by $500,000.
* The prekindergarten program is expanded under the amended budget, but does not go as far as the “universal pre-k” proposal put forth by the Governor. The program is funded to the tune of $14.9 million which funds the existing 60 classrooms and also covers the addition of two additional students per existing location as well as ten new classroom of twenty students each and an extension of the school day for 100 Head Start students.
* The budget does not include an expansion of the college tuition program
* Lastly, the ReBuild RI program under Commerce RI received some “tweaking.” The Governor had requested authorization for an increase in subsidies from $150 million to $250 million. The amended budget gives Commerce RI the ability to go to $200 million, but the sales-tax exemption for building material must count toward the cap – that is new.

**This Week at the State House**

On Wednesday, the House Small Business Committee is scheduled to vote on S. 253, An Act Relating to Labor and Labor Relations – Local Ownership. This bill states that when an employer, covered by the Worker Adjustment and Retraining Notification Act (WARN Act), provides advance notice of a plant closing or mass layoff as required by law, the director of the department of labor and training, must give the employer’s workers notice of their right to bid to purchase the business and must provide information on how to form a workers’ cooperative in order to purchase the company if they so choose.

The full House will take up the budget (H.5151 SubA) Friday at 2:00 pm.

The following bill was filed last week:

House Bill No. [6214](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6214.pdf) Noret, Solomon, Jackson, Serodio, Amore**,**AN ACT RELATING TO BUSINESSES AND PROFESSIONS -- REAL ESTATE SALES DISCLOSURES (Requires that any use of a premises for marijuana cultivation be disclosed in any real estate transaction.)

House Bill No. [6215](http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H6215.pdf) Jackson, McNamara, Costantino, Lima, McLaughlin**,**AN ACT RELATING TO HEALTH AND SAFETY -- STATE BUILDING CODE (Authorizes building inspectors to affix their signatures to permits that pertain to work they inspect.)