**House Finance Committee Releases Budget**

On Thursday night, the House Finance Committee passed a $13.1 billion budget. The Governor’s budget proposal came in at $11.2 billion. Most of the increase is derived from federal funds; however, about $180 million is from state revenues.

On the tax front, the budget includes the taxation of PPP loan forgiveness over $250,000. The Governor had proposed taxing forgiveness over a $150,000 threshold. According to the fiscal office, the higher threshold will yield approximately $54 million for general revenues. The Governor’s proposal was estimated to bring in approximately $67.7 million.

The budget also includes an increase in the property transfer tax for houses over $800,000 in value. (Former Governor Raimondo had advocated for a tax on houses over $500,000; Governor McKee had included the tax on houses over $700,000 in his budget). The money raised would go to an affordable housing program for low and moderate income earners.

The car tax continues its phase-out with municipalities receiving full funding of the loss in revenue. This step is the fifth of six steps in the phase-out plan.

The budget proposal does not include an increase in the personal income tax for higher earners including small business pass-through entities; and it does not include a tax on sugary beverages.

The license fee for contractors is lowered from $200 to $150.The roofing contractor license remains at $400 for the first-time license, but then reduces to $200 for a two-year renewal fee. Licenses for securities sales representative increases from $75 to $100. The $10 retail sales tax permit renewal fee of $10 is eliminated.

On the spending side, the Rhode Island Works program gets a 30% boost in cash benefits, child care assistance to families at 180% of poverty level who need it to attend college and a $100 clothing allowance for each child of a RI Works eligible family. DCYF receives a $10 million increase – this was a big debate back in 2019. Child care provider rates increase, as does funding to nursing homes. The education funding formula allows districts to use a student count from pre-pandemic times or from the current year, whichever is greater. Districts are also slated to receive a one-time $500 payment for each student that leaves the public school for a charter school. This payment would come when the student first leaves the public school for the charter school.

RIte Share reporting – Article 12 includes a reporting requirement by the Executive Office of Health and Human Services including businesses with more than 300 employees starting October 1, 2021 and January 1, 2022 for businesses with more than 100 employees. It is unclear how the report will be generated or what will be required of businesses. The language reads as follows:

(*k) Employer Sponsored Insurance. The Executive Office of Health and Human Services shall dedicate staff and resources to reporting monthly as part of the requirements under § 35-17-1 which employer sponsored insurance plans meet the cost effectiveness criteria for RIte Share. Information in the report shall be used for screening for Medicaid enrollment to encourage Rite Share participation. By October 1, 2021, the report shall include any employers with 300 or more employees. By January 1, 2022, the report shall include employers with 100 or more employees. The January report shall also be provided to the chairperson of the house finance committee; the chairperson of the senate finance committee; the house fiscal advisor; the senate fiscal advisor; and the state budget officer.*

**This Week At The State House**

**Employer Medicaid Assessment** - Today the Senate Finance Committee is scheduled to vote on S.101, An Act Relating to Human Services – Health Care for Families. S.101 requires employers with 300 or more employees to pay an assessment for each full or part-time employee that is on Medicaid during a calendar quarter. The assessment is equal to 10% of the employee’s wage up to $1500 a year. The definition of “wage” includes all compensation due to the employee. Non-profit entities and government entities are exempt. Written testimony is can be submitted to the committee by emailing it to: jplume@rilegislature.gov \*Written Testimony must be submitted prior to 2:00 PM on Tuesday, June 22, 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.

**Whistleblower** – On Wednesday, the Senate Labor Committee is scheduled to vote on S.550, An Act Relating to Labor and Labor Relations – The Rhode Island Whistleblower Act. This bill ban employers from reporting or threatening to report an employee or applicant for employment’ immigration status to the Immigration Customs and Enforcement (ICE) agency, or any other immigration agency or police. Violation of this provision brings with a private right of action and treble damages. If passed into law, employers would be required to post notice of this act in all languages spoken by the company’s employees. 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, June 23, 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.

**Parking Lot Requirements** – The Senate Committee on Housing and Municipal Government will vote on S.173, An Act Relating to Motor and Motor Vehicles – Parking Facilities and Privileges, Thursday at 3:00pm. Under S.173, all new parking lots and existing lots that undergo an expansion of the number of parking spaces of fifty percent (50%) must create designated parking spaces for electric vehicles. Each electric vehicle parking space must have a level 2 EV charging station or a dual charger to be shared by two parking spaces. In addition, the installation of electric vehicle charging stations and the designation of parking spaces shall be required for: (1) Construction of a parking lot for a new building or new off-street parking facility; (2) An additional parking lot added to an addition for an existing building; and (3) A parking lot increased in size to add fifty percent (50%) or more parking spaces. The amount of designated parking spaces must be the greater of: (1) One space or one percent of the total spaces for restaurants, retail businesses, recreational and cultural venues; (2) One space or one percent (1%) of the total spaces for medical, industrial and municipal facilities; (3) One space or three percent (3%) of the total spaces for all commercial lodging facilities; and (4) One space or five percent (5%) of the total spaces for multi-household residential facilities. Finally, existing parking lots shall comply with the provisions by December 31, 2022. A person who parks a non-electric vehicle in a space designated for persons with electric is subject to a fine of $100 for a first violation; $175 for a second violation; and $325 for a third or subsequent violation. The owner of any facility or business which fails to comply with the provisions is subject to a civil penalty in the amount of ten thousand dollars ($10,000). 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 Thursday, June 24, 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_8ZrrkHo3ATJRAp4ByeeV8cWRUN0ZBQlZOTERWRkpIQTUwSDFGQ1hKUU1URy4u) \*Requests to provide verbal testimony must be submitted by 4:00 PM on Wednesday, June 23, 2021.

The following new bills of interest have been filed this week:

House Bill No. [6432](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6432.pdf) Fogarty, Tanzi, Cortvriend, McEntee, Carson, Speakman, Donovan, Ranglin-Vassell, McGaw, Messier**,**AN ACT RELATING TO FISH AND WILDLIFE - COMMERCIAL FISHERIES (Permits the dockside sale of allowable live lobsters, crabs and live whelk upon issuance of a direct sale dealer license by the department of environmental management to a commercial fishing license holder.) <http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6432.pdf>

House Bill No. [6437](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6437.pdf) Corvese**,**AN ACT RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES (Expands the definition of a redevelopment area to include all population census tracts in the state that have been or are designated as opportunity zones.) <http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6437.pdf>

House Bill No. [6446](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6446.pdf) Shekarchi**,**AN ACT RELATING TO HEALTH AND SAFETY -- STATE BUILDING CODE (Establishes E-permitting for construction permitting.) [H6446.pdf (state.ri.us)](http://webserver.rilin.state.ri.us/BillText/BillText21/HouseText21/H6446.pdf)

Senate Bill No. [959](http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0959.pdf) Lombardi, McCaffrey, Euer**,**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.) <http://webserver.rilin.state.ri.us/BillText/BillText21/SenateText21/S0959.pdf>