



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUDGET OFFICE  
One Capitol Hill  
Providence, R.I. 02908-5886

MEMORANDUM

**To:** The Honorable Marvin L. Abney  
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.  
Chairman, Senate Finance Committee

**From:** Thomas A. Mullaney *Thomas A. Mullaney*  
Executive Director/State Budget Officer

**Date:** January 25, 2018

**Subject:** Amendments to Article 3 of the FY 2019 Appropriations Act  
(18-H-7200)

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The Governor requests that Article 3 entitled "Relating to Government Reform" submitted on January 18, 2018 be replaced with the attached version. The new version corrects for errors made in the drafting of Section 13 of the original article. This section was incorrectly drafted using an older version of the general laws and thus inaccurately restored some older language and deleted certain newer language that was never intended to be changed. The only change that should have been requested in this section was the elimination of the division of planning's responsibility for the Water Resources Board, which is proposed to be moved under the authority of the Division of Public Utilities and Carriers.

The language to be changed is highlighted in grey. Inaccurate language to be removed from the original article is stricken and strike-outs have been removed from language that was incorrectly stricken in the original article. We have also included a clean new article with the language as it was intended.

If you have any questions regarding this amendment, please feel free to call me at 222-6300.

TAM:sma 19-Amend-1

cc: Sharon Reynolds Ferland, House Fiscal Advisor  
Stephen Whitney, Senate Fiscal Advisor  
Michael DiBiase, Director of Administration  
Jonathan Womer, Director, Office of Management and Budget  
Parag Agrawal, Associate Director, Division of Planning

1 **ARTICLE 3**

2 **RELATING TO GOVERNMENT REFORM**

3 SECTION 1. Sections 5-65-5, 5-65-7 and 5-65-9 of the General Laws in Chapter 5-65 entitled  
4 “Contractors’ Registration and Licensing Board” are hereby amended as follows:

5 **5-65-5. Registered application.**

6 (a) A person who wishes to register as a contractor shall submit an application, ~~under oath,~~ upon a  
7 form prescribed by the board. The application shall include:

8 (1) Workers' compensation insurance account number, or company name if a number has not yet  
9 been obtained, if applicable;

10 (2) Unemployment insurance account number if applicable;

11 (3) State withholding tax account number if applicable;

12 (4) Federal employer identification number, if applicable, or if self-employed and participating in  
13 a retirement plan;

14 (5) The individual(s) name and business address and residential address of:

15 (i) Each partner or venturer, if the applicant is a partnership or joint venture;

16 (ii) The owner, if the applicant is an individual proprietorship;

17 (iii) The corporation officers and a copy of corporate papers filed with the Rhode Island secretary  
18 of state's office, if the applicant is a corporation;

19 (iv) Post office boxes are not acceptable as the only address.

20 (6) A ~~signed affidavit subject to the penalties of perjury of a statement as to~~ whether or not the  
21 applicant has previously applied for registration, or is or was an officer, partner, or venturer of an applicant  
22 who previously applied for registration and if so, the name of the corporation, partnership, or venture.

23 (7) Valid insurance certificate for the type of work being performed.

24 (b) A person may be prohibited from registering or renewing registration as a contractor under the  
25 provisions of this chapter or his or her registration may be revoked or suspended if he or she has any  
26 unsatisfied or outstanding judgments from arbitration, bankruptcy, courts and/or administrative agency

1 against him or her relating to their work as a contractor, and provided, further, that ~~an affidavit subject to~~  
2 ~~the penalties of perjury~~ a statement shall be provided to the board attesting to the information herein.

3 (c) Failure to provide or falsified information on an application, or any document required by this  
4 chapter is punishable by a fine not to exceed ten thousand dollars (\$10,000) and/or revocation of the  
5 registration.

6 (d) Applicant must be at least eighteen (18) years of age.

7 (e) Satisfactory proof shall be provided to the board evidencing the completion of five (5) hours of  
8 continuing education units which will be required to be maintained by residential contractors as a condition  
9 of registration as determined by the board pursuant to established regulations.

10 (f) ~~An affidavit~~ A certification in a form issued by the board shall be completed upon registration  
11 or license or renewal to assure contractors are aware of certain provisions of this law and shall be signed  
12 by the registrant before a registration can be issued or renewed.

13 **5-65-7. Insurance required of contractors.**

14 (a) Throughout the period of registration, the contractor shall have in effect public liability and  
15 property damage insurance covering the work of that contractor which shall be subject to this chapter in not  
16 less than the following amount: five hundred thousand dollars (\$500,000) combined single limit, bodily  
17 injury and property damage.

18 (b) In addition, all contractors shall have in effect worker's compensation insurance as required  
19 under chapter 29 of title 28. Failure to maintain required insurance shall not preclude claims from being  
20 filed against a contractor.

21 (c) The contractor shall provide satisfactory evidence to the board at the time of registration and  
22 renewal that the insurance required by subsection (a) of this section has been procured and is in effect.  
23 Failure to maintain insurance shall invalidate registration and may result in a fine to the registrant and/or  
24 suspension or revocation of the registration.

25 **5-65-9. Registration fee.**

26 (a) Each applicant shall pay to the board:

1 (1) For original registration or renewal of registration, a fee of two hundred dollars (\$200).

2 (2) A fee for all changes in the registration, as prescribed by the board, other than those due to  
3 clerical errors.

4 (b) All fees and fines collected by the board shall be deposited as general revenues to support the  
5 activities set forth in this chapter until June 30, 2008. Beginning July 1, 2008, all fees and fines collected  
6 by the board shall be deposited into a restricted receipt account for the exclusive use of supporting programs  
7 established by this chapter.

8 (c) On or before January 15, 2018, and annually thereafter, the board shall file a report with the  
9 speaker of the house and the president of the senate, with copies to the chairpersons of the house and senate  
10 finance committees, detailing:

11 (1) The total number of fines issued, broken down by category, including the number of fines issued  
12 for a first violation and the number of fines issued for a subsequent violation;

13 (2) The total dollar amount of fines levied;

14 (3) The total amount of fees, fines, and penalties collected and deposited for the most recently  
15 completed fiscal year; and

16 (4) The account balance as of the date of the report.

17 (d) Each year, the ~~executive director~~ department of business regulation shall prepare a proposed  
18 budget to support the programs approved by the board. The proposed budget shall be submitted to the board  
19 for its review. A final budget request shall be submitted to the legislature as part of the capital projects and  
20 property management annual request.

21 (e) New or renewal registrations may be filed online or with a third-party approved by the board,  
22 with the additional cost incurred to be borne by the registrant.

23 SECTION 2. Sections 5-84-1, 5-84-2, 5-84-3, 5-84-5, 5-84-6 and 5-84-7 of the General Laws in  
24 Chapter 5-84 entitled "Division of Design Professionals" are hereby amended as follows:

25 The title of Chapter 5-84 of the General Laws entitled "Division of Design Professionals" is  
26 hereby changed to "Division of Building, Design and Fire Professionals."

1           **5-84-1 Short title.**

2           This chapter shall be known and may be cited as "The Division of ~~Design~~ Building, Design and  
3 Fire Professionals Act."

4           **5-84-2. Division of ~~design~~ building, design and fire professionals.**

5           There has been created within the department of business regulation, a division known as the  
6 division of ~~design~~ building, design and fire professionals.

7           **5-84-3. Division membership.**

8           The division consists of the membership of the office of the state fire marshal, the fire safety code  
9 board of review and appeal, the office of the state building commissioner, the board of registration for  
10 professional engineers, board of registration for professional land surveyors, board of examination and  
11 registration of architects, ~~and~~ the board of examiners of landscape architects and the contractors'  
12 registration and licensing board.

13           **5-84-5. Imposition of fines for unregistered activity.**

14           (a) In addition to any other provision of law, if a person or business practices or offers to practice  
15 architecture, engineering, land surveying, or landscape architecture in the state without being registered or  
16 authorized to practice as required by law, the boards within the division may recommend that the director  
17 of the department of business regulations ~~or the director's designee~~ issue an order imposing a fine; provided,  
18 however, that this section shall not apply to issues between the boards referred to in subsection (a) of this  
19 section as to the scope of a board registrant's authority to engage in work relating to another board's  
20 jurisdiction or to issues relating to ISDS designers licensed by the department of environmental  
21 management.

22           (b) A fine ordered under this section may not exceed two thousand five hundred dollars (\$2,500)  
23 for each offense. In recommending a fine, the board shall set the amount of the penalty imposed under this  
24 section after taking into account factors, including the seriousness of the violation, the economic benefit  
25 resulting from the violation, the history of violations, and other matters the board considers appropriate.

1 (c) Before recommending that a fine be order under this section, the board shall provide the person  
2 or business written notice and the opportunity to request, with thirty (30) days of issuance of notice by the  
3 board, a hearing on the record.

4 (d) A person or business aggrieved by the ordering of a fine under this section may file an appeal  
5 with the superior court for judicial review of the ordering of a fine.

6 (e) If a person of business fails to pay the fine within thirty (30) days after entry of an order under  
7 (a) of this section, or if the order is stayed pending an appeal, within ten (10) days after the court enters a  
8 final judgment in favor of the department of an order appealed under (d) of this section, the director may  
9 commence a civil action to recover the amount of the fine.

10 **5-84-6. Cease and Desist Authority.**

11 If the director has reason to believe that any person, firm, corporation, or association is conducting  
12 any activity under the jurisdiction of the division of ~~design~~ building, design and fire professionals including  
13 professional engineering, professional land surveying, architecture, and/or landscape architecture without  
14 obtaining a license or registration, or who after the denial, suspension, or revocation of a license or  
15 registration is conducting that business, the director or the director's designee may, either on his or her own  
16 initiative or upon recommendation of the appropriate board, issue an order to that person, firm, corporation,  
17 or association commanding them to appear before the department at a hearing to be held not sooner than  
18 ten (10) days nor later than twenty (20) days after issuance of that order to show cause why the director or  
19 the director's designee should not issue an order to that person to cease and desist from the violation of the  
20 provisions of this chapter and/or chapters 1, 8, 8.1, 51 and/or ~~54~~ 65 of title 5. That order to show cause may  
21 be served on any person, firm, corporation, or association named by any person in the same manner that a  
22 summons in a civil action may be served, or by mailing a copy of the order, certified mail, return receipt  
23 requested, to that person at any address at which that person has done business or at which that person lives.  
24 If during that hearing the director or the director's designee is satisfied that the person is in fact violating  
25 any provision of this chapter, the director or the director's designee may order that person, in writing, to  
26 cease and desist from that violation and/or impose an appropriate fine under § 5-84-5 or other applicable

1 law and/or refer the matter to the attorney general for appropriate action under chapters 1, 8, 8.1, 51 and/or  
2 ~~54~~ 65 of title 5. All these hearings are governed in accordance with the administrative procedures act. If  
3 that person fails to comply with an order of the department after being afforded a hearing, the superior court  
4 for Providence county has jurisdiction upon complaint of the department to restrain and enjoin that person  
5 from violating chapters 1, 8, 8.1, 51, 65 and/or 84 of title 5.

6 **5-84-7. Electronic applications for certificates of authorization.**

7 All applications to the division of ~~design~~ building, design and fire professionals for certificates of  
8 authorization shall be submitted electronically through the department's electronic-licensing system, unless  
9 special permission to apply in paper format is requested by the applicant and granted by the director or the  
10 director's designee.

11 SECTION 3. Sections 23-27.3-100.1.3, 23-27.3-107.3, 23-27.3-107.4 and 23-27.3-108.2 of the  
12 General Laws in Chapter 23-27.3 entitled "State Building Code" are hereby amended as follows:

13 **23-27.3-100.1.3. Creation of the state building code standards committee.**

14 (a) There is created as an agency of state government a state building code standards committee  
15 who shall adopt, promulgate, and administer a state building code for the purpose of regulating the design,  
16 construction, and use of buildings or structures previously erected, in accordance with a rehabilitation  
17 building and fire code for existing buildings and structures developed pursuant to chapter 29.1 of this title,  
18 and to make any amendments to them as they, from time to time, deem necessary or desirable, the building  
19 code to include any code, rule, or regulation incorporated in the code by reference.

20 (b) A standing subcommittee is made part of the state building code standards committee to  
21 promulgate and administer a state housing and property maintenance code for the purpose of establishing  
22 minimum requirements and standards and to regulate the occupancy and use of existing premises,  
23 structures, buildings, equipment, and facilities, and to make amendments to them as deemed necessary.

24 (c) A joint committee, with membership as set forth in § 23-29.1-2(a) from the state building code  
25 standards committee, shall develop and recommend for adoption and promulgation, a rehabilitation  
26 building and fire code for existing buildings and structures, which code shall include building code elements

1 to be administered by the state building code standards committee as the authority having jurisdiction over  
2 the elements.

3 (d) The state building code standards committee shall be housed within the office of the state  
4 building commissioner.

5 **23-27.3-107.3. Appointment of personnel by state building commissioner.**

6 (a) The state building commissioner may appoint such other personnel as shall be necessary for the  
7 administration of the code. In the absence of a local building official or an alternate, as detailed in § 23-  
8 27.3-107.2, the commissioner shall assume the responsibility of the local building official and inspectors  
9 as required by § 23-27.3-107.4 and shall designate one of the following agents to enforce the code:

10 (1) A member of the commissioner's staff who meets the qualifications of § 23-27.3-107.5 and is  
11 certified in accordance with § 23-27.3-107.6.

12 (2) An architect or engineer contracted by the commissioner through the department of  
13 ~~administration~~ business regulation.

14 (3) A building official who is selected from a list of previously certified officials or inspectors.

15 (b) The salary and operating expenses for services provided in accordance with subsection (a)(1),  
16 (2), or (3) shall be reimbursed to the state by the city or town receiving the services and shall be deposited  
17 as general revenues. The attorney general shall be informed of any failure of the appropriate local authority  
18 to appoint a local building official to enforce the code in accordance with §§ 23-27.3-107.1 or 23-27.3-  
19 107.2.

20 **23-27.3-107.4. Qualifications and duties of the state building commissioner.**

21 (a) The state building commissioner shall serve as the executive secretary to the state building code  
22 standards committee. In addition to the state building commissioner's other duties as set forth in this chapter,  
23 the state building commissioner shall assume the authority for the purpose of enforcing the provisions of  
24 the state building code in a municipality where there is no local building official.

25 (b) The state building commissioner shall be a member of the classified service, and for  
26 administrative purposes shall be assigned a position in the department of ~~administration~~ business regulation.



1 Qualifications for the position of the state building commissioner shall be established in accordance with  
2 provisions of the classified service of the state, and shall include the provision that the qualifications include  
3 at least ten (10) years' experience in building or building regulations generally, and that the commissioner  
4 be an architect or professional engineer licensed in the state or a certified building official presently or  
5 previously employed by a municipality and having at least ten (10) years' experience in the building  
6 construction or inspection field.

7 **23-27.3-108.2. State building commissioner's duties.**

8 (a) This code shall be enforced by the state building commissioner as to any structures or buildings  
9 or parts thereof that are owned or are temporarily or permanently under the jurisdiction of the state or any  
10 of its departments, commissions, agencies, or authorities established by an act of the general assembly, and  
11 as to any structures or buildings or parts thereof that are built upon any land owned by or under the  
12 jurisdiction of the state.

13 (b) Permit fees for the projects shall be established by the committee. The fees shall be deposited  
14 as general revenues.

15 (c)(1) The local cities and towns shall charge each permit applicant an additional .1 (.001) percent  
16 (levy) of the total construction cost for each permit issued. The levy shall be limited to a maximum of fifty  
17 dollars (\$50.00) for each of the permits issued for one and two (2) family dwellings. This additional levy  
18 shall be transmitted monthly to the building commission at the department of ~~administration~~ business  
19 regulation, and shall be used to staff and support the purchase or lease and operation of a web-accessible  
20 service and/r system to be utilized by the state and municipalities for uniform, statewide electronic plan  
21 review, permit management and inspection system and other programs described in this chapter. The fee  
22 levy shall be deposited as general revenues.

23 (2) On or before July 1, 2013, the building commissioner shall develop a standard statewide process  
24 for electronic plan review, permit management and inspection.

25 (3) On or before December 1, 2013, the building commissioner, with the assistance of the office of  
26 regulatory reform, shall implement the standard statewide process for electronic plan review, permit

1 management and inspection. In addition, the building commissioner shall develop a technology and  
2 implementation plan for a standard web-accessible service and/r system to be utilized by the state and  
3 municipalities for uniform, statewide electronic plan review, permit management and inspection.

4 (d) The building commissioner shall, upon request by any state contractor described in § 37-2-38.1,  
5 review, and when all conditions for certification have been met, certify to the state controller that the  
6 payment conditions contained in § 37-2-38.1 have been met.

7 (e) The building commissioner shall coordinate the development and implementation of this section  
8 with the state fire marshal to assist with the implementation of § 23-28.2-6.

9 (f) The building commissioner shall submit, in coordination with the state fire marshal, a report to  
10 the governor and general assembly on or before April 1, 2013 and each April 1st thereafter, providing the  
11 status of the web-accessible service and/or system implementation and any recommendations for process  
12 or system improvement.

13 SECTION 4. Sections 23-28.2-1, 23-28.2-5, 23-28.2-7, 23-28.2-14, 23-28.2-22, 23-28.2-23, 23-  
14 28.2-28 and 23-28.2-29 of Chapter 23-28.2 of the General Laws entitled "Division of Fire Safety" are  
15 hereby amended as follows:

16 **23-28.2-1 Establishment of ~~division and~~ office of the state fire marshal.**

17 There shall be a ~~division~~an office of the state fire marshal within the department of ~~public safety~~  
18 business regulations' division of building, design and fire professionals, the head of which ~~division~~office  
19 shall be the state fire marshal. The state fire marshal shall be appointed by the governor with the advice and  
20 consent of the senate and shall serve for a period of five (5) years. During the term the state fire marshal  
21 may be removed from office by the governor for just cause. All authority, powers, duties and responsibilities  
22 previously vested in the division of fire safety are hereby transferred to the ~~division~~office of the state fire  
23 marshal.

24 **23-28.2-5 Bomb disposal unit.**

25 (a) Within the ~~division~~office of the state fire marshal, there shall be a bomb disposal unit (bomb  
26 squad), accredited by the FBI as a bomb squad, whose duties it will be to handle and dispose of all hazardous

1 devices suspect to be explosive or incendiary in construction which includes any weapons of mass  
2 destruction (WMD) that may be explosive or chemical in construction.

3 (b) The State Fire Marshal shall appoint a bomb technician to supervise the operations of this unit  
4 and the technician must be certified by the FBI as a bomb technician. The bomb technician must ensure  
5 that all bomb technicians are trained and maintain certification, the bomb squad maintains accreditation,  
6 and ensures that all equipment belonging to the bomb squad is maintained and in operating condition at all  
7 times. The bomb technician must also provide to cities and towns and local businesses or any other  
8 organizations procedures in bomb threats, and procedures where explosive devices or suspect devices are  
9 located.

10 (c) The State Fire Marshal shall appoint from the local communities volunteer assistant deputy state  
11 fire marshals, as bomb squad members only, to assist in carrying on the responsibilities of this unit. The  
12 volunteers, who must be available for immediate response when called upon, be available to participate in  
13 training sessions, shall be approved by their local fire or police chief, and must have their chief sign an  
14 agreement (memorandum of understanding) which provides for their release during emergencies and  
15 training and assumes liability for any injuries that may occur to them. All bomb squad members shall  
16 operate only under the direction of the State Bomb Squad Commander or senior ranking Deputy State Fire  
17 Marshal who is certified as a bomb technician. The bomb squad may also request assistance from the local  
18 fire and police authorities when handling any explosive or incendiary device, WMD or post incident  
19 investigations.

20 **23-28.2-7 Office of state fire marshal.**

21 The state fire marshal shall be provided adequate offices ~~by the director of administration.~~ through  
22 the department of business regulation.

23 **23-28.2-14 Enforcement.**

24 (a) Within the ~~division~~ office of the state fire marshal, there shall be an enforcement unit responsible  
25 for the initiation of criminal prosecution of or civil proceedings against any person(s) in violation of the  
26 state Fire Safety Code or failure to comply with an order to abate conditions that constitute a violation of

1 the Fire Safety Code, chapters 28.1 – 28.39 of this title, and any rules or regulations added thereunder and/or  
2 the general public laws of the state as they relate to fires, fire prevention, fire inspections, and fire  
3 investigations. This unit will consist of the state fire marshal, chief deputy state fire marshal, chief of  
4 technical services, explosive technician, assistant explosive technicians, and the arson investigative staff,  
5 each of whom must satisfactorily complete at the Rhode Island state police training academy an appropriate  
6 course of training in law enforcement or must have previously completed a comparable course. To fulfill  
7 their responsibilities, this unit shall have and may exercise in any part of the state all powers of sheriffs,  
8 deputy sheriffs, town sergeants, chiefs of police, police officers, and constables.

9 (b) The State Fire Marshal shall have the power to implement a system of enforcement to achieve  
10 compliance with the fire safety code, which shall include inspections as provided for in § 23-28.2-20, the  
11 issuance of formal notices of violation in accordance with § 23-28.2-20.1, and the issuance of citations in  
12 a form approved by the State Fire Marshal and the Chief Judge of the District Court. The State Fire Marshal,  
13 and his or her designee(s) as outlined in this chapter, may use the above systems of enforcement individually  
14 or in any combination to enforce the State Fire Safety Code.

15 (c) The State Fire Marshal and all persons designated specifically in writing by the State Fire  
16 Marshal shall have the power to issue the citations referenced in this chapter.

17 (d) The following categories of violation of the Fire Safety Code that can be identified through  
18 inspection shall be considered criminal violations of the Fire Safety Code and be subject to the above  
19 issuance of citations:

- 20 (1) Impediments to Egress:
  - 21 (A) Exit doors locked so as to prevent egress.
  - 22 (B) Blocked means of egress (other than locking and includes any portion of the exit access, exit  
23 or exit discharge).
  - 24 (C) Marking of exits or the routes to exits has become obstructed and is not clearly visible.
  - 25 (D) Artificial lighting needed for orderly evacuation is not functioning properly (this section does  
26 not include emergency lighting).

1 (2) Maintenance:

2 (A) Required devices, equipment, system, condition, arrangement, or other features not  
3 continuously maintained.

4 (B) Equipment requiring periodic testing or operation, to ensure its maintenance, is not being tested  
5 or operated.

6 (C) Owner of building where a fire alarm system is installed has not provided written evidence that  
7 there is a testing and maintenance program in force providing for periodic testing of the system.

8 (D) Twenty-four hour emergency telephone number of building owner or owner's representative is  
9 not posted at the fire alarm control unit or the posted number is not current.

10 (3) Fire Department Access and Water Supply:

11 (A) The required width or length of a previously approved fire department access road (fire lane)  
12 is obstructed by parked vehicles or other impediments.

13 (B) Fire department access to fire hydrants or other approved water supplies is blocked or impeded.

14 (4) Fire Protection Systems:

15 (A) Obstructions are placed or kept near fire department inlet connections or fire protection system  
16 control valves preventing them from being either visible or accessible.

17 (B) The owner, designated agent or occupant of the property has not had required fire extinguishers  
18 inspected, maintained or recharged.

19 (5) Admissions supervised:

20 (A) Persons responsible for supervising admissions to places of assembly, and/or any sub-  
21 classifications thereof, have allowed admissions in excess of the maximum occupancy posted by the State  
22 Fire Marshal or his or her designee.

23 The terms used in the above categories of violation are defined in the definition sections of NFPA 1 and  
24 NFPA 101 as adopted pursuant to § 23-28.1-2 of this title.

1 (e) A building owner, responsible management, designated agent or occupant of the property  
2 receiving a citation may elect to plead guilty to the violation(s) and pay the fine(s) through the mail within  
3 ten (10) days of issuance, or appear in district court for an arraignment on the citation.

4 (f) Notwithstanding subsection (e) above, all recipients of third or subsequent citations, within a  
5 sixty (60) month period, shall appear in district court for a hearing on the citation. If not paid by mail he,  
6 she or it shall appear to be arraigned on the criminal complaint on the date indicated on the citation. If the  
7 recipient(s) fails to appear, the district court shall issue a warrant of arrest.

8 (g) The failure of a recipient to either pay the citation through the mail within ten (10) days, where  
9 permitted under this section, or to appear in district court on the date specified shall be cause for the district  
10 court to issue a warrant of arrest with the penalty assessed and an additional five hundred dollar (\$500) fine.

11 (h) A building owner, responsible management, designated agent or occupant of the property who  
12 receives the citation(s) referenced in this section shall be subject to civil fine(s), which fine(s) shall be used  
13 for fire prevention purposes by the jurisdiction that issues the citation(s), as follows:

14 (1) A fine of two hundred fifty dollars (\$250) for the first violation within any sixty (60) month  
15 period;

16 (2) A fine of five hundred dollars (\$500) for the second violation within any sixty (60) month  
17 period;

18 (3) A fine of one thousand dollars (\$1,000) for the third and any subsequent violation(s) within any  
19 sixty (60) month period;

20 (i) No citation(s) as defined in this section, shall be issued pursuant to a search conducted under an  
21 administrative search warrant secured pursuant to § 23-28.2-20(c) of this code. Any citation mistakenly  
22 issued in violation of this subsection (i) shall be void and unenforceable.

23 (j) The District Court shall have full equity power to hear and address these matters.

24 (k) All violations, listed within subsection (d) above, shall further be corrected within a reasonable  
25 period of time established by the State Fire Marshal or his or her designee.

26 **23-28.2-22 Fire education and training unit.**

1 (a) There shall be a fire education and training unit within the ~~division of fire safety~~ office of the  
2 state fire marshal headed by a director of fire training. The director of fire training shall be appointed by  
3 the fire marshal from a list of names submitted by the fire education and training coordinating board based  
4 on recommendations of a screening committee of that board. Other staff and resources, such as part time  
5 instructors, shall be requested consistent with the state budget process.

6 (b) This unit shall be responsible for implementing fire education and training programs developed  
7 by the fire education and training coordinating board.

8 **23-28.2-23 Fire education and training coordinating board.**

9 (a) There is hereby created within the ~~division of fire safety~~ office of the state fire marshal a fire  
10 education and training coordinating board comprised of thirteen (13) members appointed by the governor  
11 with the advice and consent of the senate. In making said appointments, the governor shall give due  
12 consideration to including in the board's membership representatives of the following groups:

13 (1) Chiefs of fire departments with predominately fully paid personnel, defined as departments in  
14 which the vast majority of members are full-time, salaried personnel.

15 (2) Chiefs of fire departments with part paid/combo personnel, defined as departments in  
16 which members consist of both full-time salaried personnel and a large percentage of volunteer or call  
17 personnel.

18 (3) Chiefs of fire departments with predominately volunteer personnel, defined as departments in  
19 which the vast majority of members respond voluntarily and receive little or no compensation.

20 (4) Rhode Island firefighters' instructor's association.

21 (5) Rhode Island department of environmental management.

22 (6) Rhode Island fire safety association.

23 (7) Rhode Island state firefighter's league.

24 (8) Rhode Island association of firefighters.

25 (9) Regional firefighters leagues.

26 (b) The state fire marshal and the chief of training and education shall serve as ex-officio members.

1 (c) Members of the board as of March 29, 2006 shall continue to serve for the balance of their  
2 current terms. Thereafter, members shall be appointed to three (3) year terms. No person shall serve more  
3 than two (2) consecutive terms, except that service on the board for a term of less than two (2) years resulting  
4 from an initial appointment or an appointment for the remainder of an unexpired term shall not constitute  
5 a full term.

6 (d) Members shall hold office until a successor is appointed, and no member shall serve beyond  
7 the time he or she ceases to hold office or employment by reason of which he or she was eligible for  
8 appointment.

9 (e) All gubernatorial appointments made after March 29, 2006 shall be subject to the advice and  
10 consent of the senate. No person shall be eligible for appointment to the board after March 29, 2006 unless  
11 he or she is a resident of this state.

12 (f) Members shall serve without compensation, but shall receive travel expenses in the same amount  
13 per mile approved for state employees.

14 (g) The board shall meet at the call of the chairperson or upon written petition of a majority of the  
15 members, but not less than six (6) times per year.

16 (h) Staff support to the board will be provided by the state fire marshal.

17 (i) The board shall:

18 (1) Establish bylaws to govern operational procedures not addressed by legislation.

19 (2) Elect a chairperson and vice-chairperson of the board in accordance with bylaws to be  
20 established by the board.

21 (3) Develop and offer training programs for fire fighters and fire officers based on applicable NFPA  
22 standards used to produce training and education courses.

23 (4) Develop and offer state certification programs for instructors based on NFPA standards.

24 (5) Monitor and evaluate all programs to determine their effectiveness.

25 (6) Establish a fee structure in an amount necessary to cover costs of implementing the programs.



1           (7) Within ninety (90) days after the end of each fiscal year, approve and submit an annual report  
2 to the governor, the speaker of the house of representatives, the president of the senate, and the secretary of  
3 state of its activities during that fiscal year. The report shall provide: an operating statement summarizing  
4 meetings or hearing held, including meeting minutes, subjects addressed, decisions rendered, rules or  
5 regulations promulgated, studies conducted, policies and plans developed, approved or modified and  
6 programs administered or initiated; a consolidated financial statement of all funds received and expended  
7 including the source of the funds, a listing of any staff supported by these funds, and a summary of any  
8 clerical, administrative or technical support received; a summary of performance during the previous fiscal  
9 year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints,  
10 suspensions, or other legal matters related to the authority of the council; a summary of any training courses  
11 held pursuant to the provisions of this section; a briefing on anticipated activities in the upcoming fiscal  
12 year and findings and recommendations for improvements. The report shall be posted electronically on the  
13 general assembly and secretary of state's websites as prescribed in § 42-20-8.2. The director of the  
14 department of administration shall be responsible for the enforcement of the provisions of this subsection.

15           (8) Conduct a training course for newly appointed and qualified members within six (6) months of  
16 their qualification or designation. The course shall be developed by the chair of the board, approved by the  
17 board, and conducted by the chair of the board. The board may approve the use of any board or staff  
18 members or other individuals to assist with training. The training course shall include instruction in the  
19 following areas: the provisions of chapters 42-46, 36-14, and 38-2; and the commission's rules and  
20 regulations. The state fire marshal shall, within ninety (90) days of March 29, 2006, prepare and disseminate  
21 training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

22           (j) In an effort to prevent potential conflicts of interest, any fire education and training coordinating  
23 board member shall not simultaneously serve as a paid instructor and/or administrator within the fire  
24 education and training unit.

25           (k) A quorum for conducting all business before the board, shall be at least seven (7) members.

1 (l) Members of the board shall be removable by the governor pursuant to the provisions of § 36-1-  
2 7 of the general laws and for cause only, and removal solely for partisan or personal reasons unrelated to  
3 capacity or fitness for the office shall be unlawful.

4 **23-28.2-28. Rhode Island state firefighter's league grant account.**

5 (a) There is hereby created within the department of ~~public safety~~ business regulation a restricted  
6 receipt account to be known as the Rhode Island state firefighter's league grant account. Donations received  
7 from the Rhode Island state firefighter's league shall be deposited into this account, and shall be used solely  
8 to fund education and training programs for firefighters in the state.

9 (b) All amounts deposited in the Rhode Island state firefighter's league grant account shall be  
10 exempt from the indirect cost recovery provisions of § 35-4-27.

11 **23-28.2-29. Fire academy training fees restricted receipt account.**

12 There is hereby created with the department of ~~public safety~~ business regulation a restricted receipt  
13 account to be known as the fire academy training fees account. All receipts collected pursuant to § 23-28.2-  
14 23 shall be deposited in this account and shall be used to fund costs associated with the fire training  
15 academy. All amounts deposited into the fire academy training restricted receipt account shall be exempt  
16 from the indirect cost recovery provisions of § 35-4-27.

17 SECTION 5. Section 23-34.1-3 of Chapter 23-34.1 of the General Laws entitled "Amusement Ride  
18 Safety Act" is hereby amended as follows:

19 **23-34.1-3. Definitions.**

20 As used in this chapter:

21 (1) "Altered ride" means a ride or device that has been altered with the approval of the  
22 manufacturer.

23 (2) "Amusement attraction" means any building or structure around, over, or through which persons  
24 may move to walk, without the aid of any moving device integral to the building or structure, which  
25 provides amusement, pleasure, thrills, or excitement. Excluded are air structures ("moonwalks"), arenas,  
26 stadiums, theatres, nonmechanical amusement structures commonly located in or around day care centers,

1 schools, commercial establishments, malls, fast food restaurants, and convention halls. This does not  
2 include enterprises principally devoted to the exhibition of products of agriculture, industry, education,  
3 science, religion, or the arts.

4 (3) "Amusement ride" means any mechanical device which carries, suspends or conveys passengers  
5 along, around, or over a fixed or restricted route or course or within a defined area, for the purpose of giving  
6 its passengers amusement, pleasure, thrills, or excitement. For the purposes of this act, any dry slide over  
7 twenty (20) feet in height is also included. This term shall not include hayrides (whether pulled by motor  
8 vehicle or horse), any coin-operated ride that is manually, mechanically or electrically operated and  
9 customarily placed in a public location and that does not normally require the supervision or services of an  
10 operator or nonmechanical devices with nonmoving parts, including, but not limited to, walk-through  
11 amusement attractions, slides, and air structures ("moonwalks").

12 (4) "Bazaar" means an enterprise principally devoted to the exhibition of products of crafts and art,  
13 to which the operation of amusement rides or devices or concession booths is an adjunct.

14 (5) "Carnival" means a transient enterprise offering amusement or entertainment to the public in,  
15 upon or by means of amusement devices, rides or concession booths.

16 (6) "Certificate to operate" means that document which indicates that the temporary amusement  
17 device has undergone the inspection required after setup. It shall show the date of inspection, the location  
18 of the inspection, the name of the inspector, and the maximum amount of weight allowed per car or rideable  
19 unit.

20 (7) "Commissioner" means the state building commissioner.

21 (8) "Department" means the department of ~~administration~~ business regulation.

22 (9) "Director" means the director of the department of ~~administration~~ business regulation.

23 (10) "Fair" means an enterprise principally devoted to the exhibition of products of agriculture or  
24 industry, to which the operation of amusement rides or devices or concession booths is an adjunct.

1 (11) "Home-made ride or device" means a ride or device that was not manufactured by a recognized  
2 ride or device manufacturer or any ride or device which has been substantially altered without the approval  
3 of the manufacturer.

4 (12) "Inspection" means the physical examination of an amusement ride or device made by the  
5 commissioner, or his authorized representative, prior to operating the amusement device for the purpose of  
6 approving the application for a license.

7 (13) "Kiddie ride" means a device designed primarily to carry a specific number of children in a  
8 fixture suitable for conveying children up to forty-two inches (42") in height or ride manufacturer  
9 specifications.

10 (14) "Major alteration" means a change in the type, capacity, structure or mechanism of an  
11 amusement device. This includes any change that would require approval of the ride manufacturer or an  
12 engineer.

13 (15) "Major ride" means a device designed to carry a specific maximum number of passengers,  
14 adults and children, in a fixture suitable for conveying persons.

15 (16) "Manager" means a person having possession, custody, or managerial control of an amusement  
16 device, amusement attraction, or temporary structure, whether as owner, lessee, or agent or otherwise.

17 (17) "Owner" means the person or persons holding title to, or having possession or control of the  
18 amusement ride or device or concession booth.

19 (18) "Permanent amusement ride" means an amusement ride which is erected to remain a lasting  
20 part of the premises.

21 (19) "Permit" means that document which signifies that the amusement device or amusement  
22 attraction has undergone and passed its annual inspection. The department shall affix a decal which clearly  
23 shows the month and year of expiration.

24 (20) "Qualified licensed engineer" means a licensed mechanical engineer who has at least five (5)  
25 years of experience in his or her field and has experience in amusement ride inspection.

26 (21) "Reinspection" means an inspection which is made at any time after the initial inspection.

1 (22) "Repair" means to restore an amusement ride to a condition equal to or better than the original  
2 design specifications.

3 (23) "Ride file jacket" means a file concerning an individual amusement ride or device which  
4 contains nondestructive test reports on the testing firm's official letterhead; the name of the ride, the  
5 manufacturer and date of manufacture; maintenance records; records of any alterations; ride serial number;  
6 daily check lists and engineer's reports and proof of insurance. Non-destructive test reports shall not be  
7 required on any rides which are nonmechanical and which are not provided by the manufacturer with said  
8 amusement ride.

9 (24) "Ride operator" means the person in charge of an amusement ride or device and who causes  
10 the amusement ride or device to operate.

11 (25) "Serious injury" means an injury requiring a minimum of one overnight stay in a hospital for  
12 treatment or observation.

13 (26) "Stop order" means any order issued by an inspector for the temporary cessation of a ride or  
14 device.

15 (27) "Temporary amusement device" means a device which is used as an amusement device or  
16 amusement attraction that is regularly relocated from time to time, with or without disassembly.

17 SECTION 6. Section 42-7.3-3 of the General Laws in Chapter 42-7.3 entitled "Department of  
18 Public Safety" is hereby amended as follows:

19 **42-7.3-3. Powers and duties of the department.**

20 The department of public safety shall be responsible for the management and administration of the  
21 following divisions and agencies:

22 (a) Office of the capitol police (chapter 2.2 of title 12).

23 (b) ~~State fire marshal (chapter 28.2 of title 23)~~

24 (c) E-911 emergency telephone system division (chapter 28.2 of title 39).

25 (c4) Rhode Island state police (chapter 28 of title 42).

26 (de) Municipal police training academy (chapter 28.2 of title 42).

1 (e) Division of sheriffs (chapter 7.3 of title 42).

2 SECTION 7. Section 42-11-2.9 of the General Laws in Chapter 42-11 entitled "Department of  
3 Administration" is hereby amended as follows:

4 **42-11-2.9. Division of capital asset management and maintenance established.**

5 (a) Establishment. Within the department of administration there shall be established the division  
6 of capital asset management and maintenance ("DCAMM"). Any prior references to the division of  
7 facilities management and/or capital projects, if any, shall now mean DCAMM. Within the DCAMM there  
8 shall be a director of DCAMM who shall be in the classified service and shall be appointed by the director  
9 of administration. The director of DCAMM shall have the following responsibilities:

10 (1) Oversee, coordinate, and manage the operating budget, personnel, and functions of DCAMM  
11 in carrying out the duties described below;

12 (2) Review agency capital-budget requests to ensure that the request is consistent with strategic and  
13 master facility plans for the state of Rhode Island;

14 (3) Promulgate and adopt regulations necessary to carry out the purposes of this section.

15 (b) Purpose. The purpose of the DCAMM shall be to manage and maintain state property and state-  
16 owned facilities in a manner that meets the highest standards of health, safety, security, accessibility, energy  
17 efficiency, and comfort for citizens and state employees and ensures appropriate and timely investments  
18 are made for state property and facility maintenance.

19 (c) Duties and responsibilities of DCAMM. DCAMM shall have the following duties and  
20 responsibilities:

21 (1) To oversee all new construction and rehabilitation projects on state property, not including  
22 property otherwise assigned outside of the executive department by Rhode Island general laws or under the  
23 control and supervision of the judicial branch;

24 (2) To assist the department of administration in fulfilling any and all capital-asset and  
25 maintenance-related statutory duties assigned to the department under chapter 8 of title 37 (public

1 buildings) or any other provision of law, including, but not limited to, the following statutory duties  
2 provided in § 42-11-2:

3 (i) To maintain, equip, and keep in repair the state house, state office buildings, and other premises,  
4 owned or rented by the state, for the use of any department or agency, excepting those buildings, the control  
5 of which is vested by law in some other agency;

6 (ii) To provide for the periodic inspection, appraisal, or inventory of all state buildings and property,  
7 real and personal;

8 (iii) To require reports from state agencies on the buildings property in their custody;

9 (iv) To issue regulations to govern the protection and custody of the property of the state;

10 (v) To assign office and storage space, and to rent and lease land and buildings, for the use of the  
11 several state departments and agencies in the manner provided by law;

12 (vi) To control and supervise the acquisition, operation, maintenance, repair, and replacement of  
13 state-owned motor vehicles by state agencies;

14 (3) To generally manage, oversee, protect, and care for the state's properties and facilities, not  
15 otherwise assigned by Rhode Island general laws, including, but not limited to, the following duties:

16 (i) Space management, procurement, usage, and/or leasing of private or public space;

17 (ii) Care, maintenance, cleaning, and contracting for such services as necessary for state property;

18 (iii) Capital equipment replacement;

19 (iv) Security of state property and facilities unless otherwise provided by law;

20 (v) Ensuring Americans with Disabilities Act (ADA) compliance;

21 (vi) Responding to facilities emergencies;

22 (vii) Managing traffic flow on state property;

23 (viii) Grounds keeping/landscaping/snow-removal services;

24 (ix) Maintenance and protection of artwork and historic artifacts;

25 (4) To manage and oversee state fleet operations.

1 (d) All state agencies shall participate in a statewide database and/or information system for capital  
2 assets, that shall be established and maintained by DCAMM.

3 (e) Offices and boards assigned to DCAMM. DCAMM shall oversee the following boards, offices,  
4 and functions:

5 (1) Office of planning, design, and construction (PDC);

6 (2) Office of facilities management and maintenance (OFMM);

7 ~~(3) Contractors' registration and licensing board (§ 5-65-1 seq.);~~

8 ~~(4) State building code (§ 23-27.3-1 et seq.);~~

9 ~~(5) Office of risk management (§ 37-11-1 et seq.);~~

10 ~~(6) Fire safety code board of appeal and review (§ 23-28.3-1 et seq.);~~

11 ~~(7-4) Office of state fleet operations (§ 42-11-2.4(d)).~~

12 (f) The boards, offices, and functions assigned to DCAMM shall:

13 (1) Exercise their respective powers and duties in accordance with their statutory authority and the  
14 general policy established by the director of DCAMM or in accordance with the powers and authorities  
15 conferred upon the director of DCAMM by this section;

16 (2) Provide such assistance or resources as may be requested or required by the director of DCAMM  
17 or the director of administration;

18 (3) Provide such records and information as may be requested or required by the director of  
19 DCAMM or the director of administration; and

20 (4) Except as provided herein, no provision of this chapter or application thereof shall be construed  
21 to limit or otherwise restrict the offices stated above from fulfilling any statutory requirement or complying  
22 with any valid rule or regulation.

23 SECTION 8. Sections 42-14-1, 42-14-2, 42-14-4, 42-14-5, 42-14-6, 42-14-7, 42-14-8, 42-14-11,  
24 42-14-16 and 42-14-16.1 of the General Laws in Chapter 42-14 entitled "Department of Business  
25 Regulation" are hereby amended as follows:

26 **42-14-1. Establishment – Head of department.**



1           There shall be a department of business regulation. The head of the department shall be the director  
2 of business regulation who ~~shall carry out~~, except as otherwise provided by this title, shall carry out this  
3 ~~chapter; chapters 1, 2, and 4—12, inclusive, of title 3; chapters 3, 20.5, 38, 49, 52, 53 and 58 of title 5;~~  
4 ~~chapter 31 of title 6; chapter 11 of title 7; chapters 1—29, inclusive, of title 19, except § 19-24-6; chapter~~  
5 ~~28.6 of title 21; chapter 26 of title 23; chapters 1—36, inclusive, of title 27. The director of business~~  
6 ~~regulation shall also~~ and perform the duties required by any and all other provisions of the general laws and  
7 public laws insofar as those provisions relate to ~~the director of revenue and regulation, chief of the division~~  
8 ~~of banking and insurance, chief of the division of intoxicating beverages, and each of the divisions~~ and  
9 licensing and regulatory areas within the jurisdiction of the department, ~~except as otherwise provided by~~  
10 ~~this title.~~

11           **42-14-2. Functions of department.**

12           (a) It shall be the function of the department of business regulation:

13           ~~(1) To regulate and control banking and insurance, foreign surety companies, sale of securities,~~  
14 ~~building and loan associations, fraternal benefit and beneficiary societies;~~

15           ~~(2) To regulate and control the manufacture, transportation, possession, and sale of alcoholic~~  
16 ~~beverages;~~

17           ~~(3) To license and regulate the manufacture and sale of articles of bedding, upholstered furniture,~~  
18 ~~and filling materials;~~

19           ~~(4) To regulate the licensing of compassion centers, licensed cultivators, and cooperative~~  
20 ~~cultivations pursuant to chapter 28.6 of title 21 of the general laws~~ to license, regulate and control all areas  
21 as required by this chapter and any and all other provisions of the general laws and public laws.

22           (b) Whenever any hearing is required or permitted to be held pursuant to law or regulation of the  
23 department of business regulation, and whenever no statutory provision exists providing that notice be given  
24 to interested parties prior to the hearing, no such hearing shall be held without notice in writing being given  
25 at least ten (10) days prior to such hearing to all interested parties. For purposes of this section, an "interested  
26 party" shall be deemed to include the party subject to regulation hereunder, ~~the Rhode Island consumers'~~

1 council, and any party entitled to appear at the hearing. Notice to the party that will be subject to regulation,  
2 the Rhode Island consumers' council [~~Repealed~~], and any party who has made known his or her intention  
3 to appear at the hearing shall be sufficient if it be in writing and mailed, first class mail, to the party at his  
4 or her regular business address. Notice to the general public shall be sufficient hereunder if it be by  
5 publication in a newspaper of general circulation in the municipality affected by the regulation posted on  
6 the department's website.

7 **42-14-4. Banking and insurance financial services divisions.**

8 Within the department of business regulation there shall be a division of financial services that  
9 oversees the regulation and control of banking division and an insurance division and such other matters  
10 within the jurisdiction of the department as determined by the director. The divisions shall have offices  
11 which shall be assigned to ~~them~~ it by the department of administration.

12 ~~A s~~ Superintendents shall be in charge of each division, of banking and insurance reporting to the  
13 director; ~~deputy director~~ and/or health insurance commissioner as appropriate shall be in charge of all  
14 matters relating to banking and insurance.

15 **42-14-5. ~~Administrator~~ Superintendents of banking and insurance.**

16 (a) The ~~director of business regulation shall, in addition to his or her regular duties, act as~~  
17 ~~administrator of banking and insurance and~~ superintendents of banking and insurance shall administer the  
18 functions of the department relating to the regulation and control of banking and insurance, ~~foreign surety~~  
19 ~~companies, sale of securities, building and loan associations, and fraternal benefit and beneficiary societies.~~

20 (b) Wherever the words "banking administrator" or "banking commissioner" or "insurance  
21 administrator" or "insurance commissioner" occur in this chapter or any general law, public law, act, or  
22 resolution of the general assembly or department regulation, they shall be construed to mean superintendent  
23 of banking commissioner and superintendent of insurance commissioner except as delineated in subsection  
24 (d) below.

25 (c) "Health insurance" shall mean "health insurance coverage," as defined in §§ 27-18.5-2 and 27-  
26 18.6-2, "health benefit plan," as defined in § 27-50-3 and a "medical supplement policy," as defined in §

1 27-18.2-1 or coverage similar to a Medicare supplement policy that is issued to an employer to cover  
2 retirees, and dental coverage, including, but not limited to, coverage provided by a nonprofit dental service  
3 plan as defined in subsection 27-20.1-1(3).

4 (d) Whenever the words "commissioner," "insurance commissioner", "Health insurance  
5 commissioner" or "director" appear in Title 27 or Title 42, those words shall be construed to mean the health  
6 insurance commissioner established pursuant to § 42-14.5-1 with respect to all matters relating to health  
7 insurance. The health insurance commissioner shall have sole and exclusive jurisdiction over enforcement  
8 of those statutes with respect to all matters relating to health insurance.

9 (e) Whenever the word "director" appears or is a defined term in Title 19, this word shall be  
10 construed to mean the superintendent of banking established pursuant to this section.

11 (f) Whenever the word "director" or "commissioner" appears or is a defined term in Title 27, this  
12 word shall be construed to mean the superintendent of insurance established pursuant to this section except  
13 as delineated in subsection (d) above.

14 **42-14-6. Restrictions on interests of ~~administrator~~ superintendents.**

15 The ~~administrator~~ superintendents of banking and insurance shall not engage in any other business  
16 or be an officer of or directly or indirectly interested in any national bank doing business in this state, or in  
17 any bank, savings bank, or trust company organized under the laws of this state, nor be directly or indirectly  
18 interested in any corporation, business, or occupation that requires his or her official supervision; absent  
19 compliance with § 42-14-6.1, nor shall the ~~administrator~~ no superintendent shall become indebted to any

20 bank, savings bank, or trust company organized under the laws of this state, nor shall he or she engage or  
21 be interested in the sale of securities as a business, or in the negotiation of loans for others.

22 **42-14-7. Deputies to ~~administrator~~ superintendents.**

23 The ~~administrator~~ superintendent of banking and the superintendent of insurance may appoint one  
24 or more deputies to assist him or her in the performance of his or her duties, who shall be removable at the  
25 pleasure of the ~~administrator~~ superintendent, and the ~~administrator~~ superintendent in his or her official  
26 capacity shall be liable for any deputy's misconduct or neglect of duty in the performance of his or her

1 official duties. Service of process upon any deputy, or at the office of the ~~administrator~~ superintendent upon  
2 some person there employed, at any time, shall be as effectual as service upon the ~~administrator~~  
3 superintendent.

4 **42-14-8. Clerical assistance and expenses.**

5 The ~~administrator~~ superintendent of banking and the superintendent of insurance may employ such  
6 clerical assistance and incur such office and traveling expenses for him or herself, his or her deputies and  
7 assistants as may be necessary in the performance of his or her other duties, and as provided by this title,  
8 within the amounts appropriated therefor.

9 **42-14-11. Subpoena power – False swearing.**

10 (a) In connection with any matters having to do with the discharge of his or her duties pursuant to  
11 this chapter, the director or his or her designee, in all cases of every nature pending before him or her, is  
12 hereby authorized and empowered to summon witnesses to attend and testify in like manner as in either the  
13 supreme or the superior courts. The director or his or her designee is authorized to compel the production  
14 of all papers, books, documents, records, certificates or other legal evidence that may be necessary for the  
15 determination and the decision of any question or the discharge of any duty required by law of the  
16 department, including the functions of the ~~director as a member of the board of bank incorporation and~~  
17 ~~board of building loan association incorporation~~ superintendents of banking and insurance, by issuing a  
18 subpoena duces tecum signed by the director or his or her designee.

19 (b) Every person who disobeys this writ shall be considered in contempt of the department, and the  
20 department may punish that and any other contempt of the authority in like manner as contempt may be  
21 punished in either the supreme or the superior court.

22 (c) Any person who shall willfully swear falsely in any proceedings, matter or hearing before the  
23 department shall be deemed guilty of the crime of perjury.

24 **42-14-16. Insurance – Administrative penalties.**

25 (a) Whenever the director or his or her designee shall have cause to believe that a violation of title  
26 27 and/or chapters 14, 14.5, 62 or 128.1 of title 42 or the regulations promulgated thereunder has occurred

1 by a licensee, or any person or entity conducting any activities requiring licensure under title 27, the director  
2 or his or her designee may, in accordance with the requirements of the Administrative Procedures Act,  
3 chapter 35 of this title:

4 (1) Revoke or suspend a license;

5 (2) Levy an administrative penalty in an amount not less than one hundred dollars (\$100) nor more  
6 than fifty thousand dollars (\$50,000);

7 (3) Order the violator to cease such actions;

8 (4) Require the licensee or person or entity conducting any activities requiring licensure under title  
9 27 to take such actions as are necessary to comply with title 27 and/or chapters 14, 14.5, 62, or 128.1 of  
10 title 42, or the regulations thereunder; or

11 (5) Any combination of the above penalties.

12 (b) Any monetary penalties assessed pursuant to this section shall be as general revenues.

13 **42-14-16.1. Order to cease and desist.**

14 (a) If the director or his or her designee has reason to believe that any person, firm, corporation or  
15 association is conducting any activities requiring licensure under title 27 or any other provisions of the  
16 general laws or public laws within the jurisdiction of the department without obtaining a license, or who  
17 after the denial, suspension or revocation of a license conducts any activities requiring licensure under title  
18 27 or any other provisions of the general laws or public laws within the jurisdiction of the department, the  
19 department may issue its order to that person, firm, corporation or association commanding them to appear  
20 before the department at a hearing to be held no sooner than ten (10) days nor later than twenty (20) days  
21 after issuance of that order to show cause why the department should not issue an order to that person to  
22 cease and desist from the violation of the provisions of ~~title 27~~ applicable law.

23 (b) The order to show cause may be served on any person, firm, corporation or association named  
24 in the order in the same manner that summons in a civil action may be served, or by mailing a copy of the  
25 order, certified mail, return receipt requested, to that person at any address at which he or she has done  
26 business or at which he or she lives. If, upon that hearing, the department is satisfied that the person is in

1 fact violating any provision of ~~title 27~~ applicable law, then the department may order that person, in writing,  
2 to cease and desist from that violation.

3 (c) All hearings shall be governed in accordance with chapter 35 of this title, the "Administrative  
4 Procedures Act." If that person fails to comply with an order of the department after being afforded a  
5 hearing, the superior court in Providence county has jurisdiction upon complaint of the department to  
6 restrain and enjoin that person from violating this chapter.

7 SECTION 9. Section 42-28-3 of the General Laws in Chapter 42-28 entitled "State Police" is  
8 hereby amended as follows:

9 **42-28-3. Scope of responsibilities.**

10 (a) The Rhode Island state police and the superintendent shall be charged with the responsibility  
11 of:

- 12 (1) Providing a uniformed force for law enforcement;  
13 (2) Preparing rules and regulations for law enforcement;  
14 (3) Maintaining facilities for crime detection and suppression; and  
15 (4) Controlling traffic and maintaining safety on the highways.

16 (b) ~~The superintendent shall be ex-officio state fire marshal.~~

17 (c) The superintendent shall also serve as the director of the department of public safety.

18 SECTION 10. Section 36-10-14 of the General Laws in Chapter 36-10 entitled "Retirement System  
19 – Contributions and Benefits" is hereby amended to read as follows:

20 **36-10-14. Retirement for accidental disability.** (a) Medical examination of an active member for  
21 accidental disability and investigation of all statements and certificates by him or her or in his or her behalf  
22 in connection therewith shall be made upon the application of the head of the department in which the  
23 member is employed or upon application of the member, or of a person acting in his or her behalf, stating  
24 that the member is physically or mentally incapacitated for the performance of service as a natural and  
25 proximate result of an accident while in the performance of duty, and certify the definite time, place, and  
26 conditions of the duty performed by the member resulting in the alleged disability, and that the alleged

1 disability is not the result of willful negligence or misconduct on the part of the member, and is not the  
2 result of age or length of service, and that the member should, therefore, be retired.

3 (b) The application shall be made within five (5) years of the alleged accident from which the injury  
4 has resulted in the members present disability and shall be accompanied by an accident report and a  
5 physicians report certifying to the disability; provided that if the member was able to return to his or her  
6 employment and subsequently reinjures or aggravates the same injury, the application shall be made within  
7 the later of five (5) years of the alleged accident or three (3) years of the reinjury or aggravation. The  
8 application may also state the member is permanently and totally disabled from any employment.

9 (c) Notwithstanding subsection (b), state employees who are receiving benefits under the injured  
10 on duty provisions of RIGL §45-19-1 shall be subject to the provisions of Section RIGL §45-19-1[j] for all  
11 matters relating to the application and processing of disability benefits.

12 (d) If a medical examination conducted by three (3) physicians engaged by the retirement board  
13 and such investigation as the retirement board may desire to make shall show that the member is physically  
14 or mentally incapacitated for the performance of service as a natural and proximate result of an accident,  
15 while in the performance of duty, and that the disability is not the result of willful negligence or misconduct  
16 on the part of the member, and is not the result of age or length of service, and that the member has not  
17 attained the age of sixty-five (65), and that the member should be retired, the physicians who conducted the  
18 examination shall so certify to the retirement board stating the time, place, and conditions of service  
19 performed by the member resulting in the disability and the retirement board may grant the member an  
20 accidental disability benefit.

21 ~~(d)~~(e) The retirement board shall establish uniform eligibility requirements, standards, and criteria  
22 for accidental disability which shall apply to all members who make application for accidental disability  
23 benefits.

24 SECTION 11. Section 45-19-1 of the General Laws in Chapter 45-19 entitled "Relief of Injured  
25 and Deceased Fire Fighters and Police Officer is hereby amended to read as follows:

26 **45-19-1. Salary payment during line of duty illness or injury.**

1 (a) Whenever any police officer of the Rhode Island Airport Corporation or whenever any police  
2 officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal  
3 of any city, town, fire district, or the state of Rhode Island is wholly or partially incapacitated by reason of  
4 injuries received or sickness contracted in the performance of his or her duties or due to their rendering of  
5 emergency assistance within the physical boundaries of the state of Rhode Island at any occurrence  
6 involving the protection or rescue of human life which necessitates that they respond in a professional  
7 capacity when they would normally be considered by their employer to be officially off-duty, the respective  
8 city, town, fire district, state of Rhode Island or Rhode Island Airport Corporation by which the police  
9 officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal,  
10 is employed, shall, during the period of the incapacity, pay the police officer, fire fighter, crash rescue  
11 crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, the salary or wage and benefits  
12 to which the police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire marshal, or  
13 deputy fire marshal, would be entitled had he or she not been incapacitated, and shall pay the medical,  
14 surgical, dental, optical, or other attendance, or treatment, nurses, and hospital services, medicines,  
15 crutches, and apparatus for the necessary period, except that if any city, town, fire district, the state of Rhode  
16 Island or Rhode Island Airport Corporation provides the police officer, fire fighter, crash rescue  
17 crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal, with insurance coverage for the  
18 related treatment, services, or equipment, then the city, town, fire district, the state of Rhode Island or Rhode  
19 Island Airport Corporation is only obligated to pay the difference between the maximum amount allowable  
20 under the insurance coverage and the actual cost of the treatment, service, or equipment. In addition, the  
21 cities, towns, fire districts, the state of Rhode Island or Rhode Island Airport Corporation shall pay all  
22 similar expenses incurred by a member who has been placed on a disability pension and suffers a recurrence  
23 of the injury or illness that dictated his or her disability retirement, subject to the provisions of subsection  
24 (j) herein.

25 (b) As used in this section, "police officer" means and includes any chief or other member of the  
26 police department of any city or town regularly employed at a fixed salary or wage and any deputy sheriff,



1 member of the fugitive task force, or capitol police officer, permanent environmental police officer or  
2 criminal investigator of the department of environmental management, or airport police officer.

3 (c) As used in this section, "fire fighter" means and includes any chief or other member of the fire  
4 department or rescue personnel of any city, town, or fire district, and any person employed as a member of  
5 the fire department of the town of North Smithfield, or fire department or district in any city or town.

6 (d) As used in this section, "crash rescue crewperson" means and includes any chief or other  
7 member of the emergency crash rescue section, division of airports, or department of transportation of the  
8 state of Rhode Island regularly employed at a fixed salary or wage.

9 (e) As used in this section, "fire marshal," "chief deputy fire marshal", and "deputy fire marshal" mean and  
10 include the fire marshal, chief deputy fire marshal, and deputy fire marshals regularly employed by the state  
11 of Rhode Island pursuant to the provisions of chapter 28.2 of title 23.

12 (f) Any person employed by the state of Rhode Island, except for sworn employees of the Rhode  
13 Island State Police, who is otherwise entitled to the benefits of chapter 19 of this title shall be subject to the  
14 provisions of chapters 29 – 38 of title 28 for all case management procedures and dispute resolution for all  
15 benefits.

16 (g) In order to receive the benefits provided for under this section, a police officer or firefighter  
17 must prove to their employer that he or she had reasonable grounds to believe that there was an emergency  
18 which required an immediate need for their assistance for the protection or rescue of human life.

19 (h) Any claims to the benefits provided for under this section resulting from the rendering of  
20 emergency assistance in the state of Rhode Island at any occurrence involving the protection or rescue of  
21 human life while off-duty, shall first require those covered by this section to submit a sworn declaration to  
22 their employer attesting to the date, time, place and nature of the event involving the protection or rescue  
23 of human life causing the professional assistance to be rendered and the cause and nature of any injuries  
24 sustained in the protection or rescue of human life. Sworn declarations shall also be required from any  
25 available witness to the alleged emergency involving the protection or rescue of human life.

26 (i) All declarations required under this section shall contain the following language:

1 "Under penalty of perjury, I declare and affirm that I have examined this declaration, including any  
2 accompanying schedules and statements, and that all statements contained herein are true and correct."

3 (j) Any person receiving injured on duty benefits pursuant to this section, and subject to the  
4 jurisdiction of the state retirement board for accidental retirement disability, for an injury occurring on or  
5 after July 1, 2011, shall apply for an accidental disability retirement allowance from the state retirement  
6 board not later than the later of eighteen (18) months after the date of the person's injury that resulted in  
7 said person's injured on duty status or sixty (60) days from the date on which ~~a the~~ treating physician or an  
8 independent medical examiner certifies that the person has reached maximum medical improvement.

9 ~~Nothing herein shall be construed to limit or alter any and all rights of the parties with respect to independent~~  
10 ~~medical examinations or otherwise, as set forth in the applicable collective bargaining agreement.~~

11 Notwithstanding the foregoing, any person receiving injured on duty benefits as the result of a static and  
12 incapacitating injury whose permanent nature is readily obvious and ascertainable shall be required to apply  
13 for an accidental disability retirement allowance within sixty (60) days from the date on which ~~a the~~ treating  
14 physician or an independent medical examiner certifies that the person's injury is permanent, ~~or sixty (60)~~

15 ~~days from the date on which such determination of permanency is made in accordance with the independent~~  
16 ~~medical examination procedures as set forth in the applicable collective bargaining agreement. Nothing~~  
17 ~~herein shall be construed to limit or alter any and all rights of the parties with respect to independent medical~~  
18 ~~examinations or otherwise, as set forth in the applicable collective bargaining agreement.~~

19 (1) If a person with injured on duty status fails to apply for an accidental disability retirement  
20 allowance from the state retirement board within the time frame set forth above, that person's injured on  
21 duty payment shall terminate. Further, any person suffering a static and incapacitating injury as set forth in  
22 subsection (j) above and who fails to apply for an accidental disability benefit allowance as set forth in  
23 subsection (j) shall have his or her injured on duty payment terminated.

24 (2) A person who so applies shall continue to receive injured on duty payments, and the right to  
25 continue to receive IOD payments of a person who so applies shall terminate in the event of the final ruling  
26 of the workers' compensation court, any other court of competent jurisdiction, or the state retirement board

1 allowing accidental disability benefits. Nothing herein shall be construed to limit or alter any and all rights  
2 of the parties with respect to independent medical examination or otherwise, as set forth in the applicable  
3 collective bargaining agreement.

4 SECTION 12. Chapter 39-3 of the General Laws entitled "Regulatory Powers of Administration"  
5 is hereby amended by adding thereto the following section:

6 **39-3-45. Transfer of powers, functions and resources from the water resources board.**

7 (a) There are hereby transferred to the division of public utilities and carriers those powers and  
8 duties formerly administered by the employees of the water resources board as provided for in chapter 46-  
9 15 ("Water Resources Management") through 46-15.8 ("Water Use and Efficiency Act"), inclusive, and  
10 any other applicable provisions of the general laws; provided, however, the governor shall submit to the  
11 2019 assembly any recommended statutory changes necessary to facilitate the merger.

12 (b) All resources of the water resources board, including, but not limited to, property, employees  
13 and accounts, are hereby transferred to the division of public utilities and carriers.

14 (c) As part of the above transfer, except for the general manager, all employees of the water  
15 resources board currently subject to the provisions of chapter 4 of title 36 shall continue to be subject to  
16 those provisions.

17 SECTION 13. Section 42-11-10 of the General Laws in Chapter 42-11 entitled "Department of  
18 Administration" is hereby amended to read as follows:

19 **42-11-10. Statewide planning program.**

20 (a) *Findings.* - The general assembly finds that the people of this state have a fundamental interest  
21 in the orderly development of the state; the state has a positive interest and demonstrated need for  
22 establishment of a comprehensive strategic state planning process and the preparation, maintenance, and  
23 implementation of plans for the physical, economic, and social development of the state; the continued  
24 growth and development of the state presents problems that cannot be met by the cities and towns  
25 individually and that require effective planning by the state; and state and local plans and programs must  
26 be properly coordinated with the planning requirements and programs of the federal government.

1           (b) *Establishment of statewide planning program.*

2           (1) A statewide planning program is hereby established to prepare, adopt, and amend strategic plans  
3 for the physical, economic, and social development of the state and to recommend these to the governor,  
4 the general assembly, and all others concerned.

5           (2) All strategic planning, as defined in subsection (c) of this section, undertaken by the executive  
6 branch for those departments and other agencies enumerated in subsection (g) of this section, all  
7 departments and agencies of the executive branch unless specifically exempted, shall be conducted by or  
8 under the supervision of the statewide planning program. The statewide planning program shall consist of  
9 a state planning council, and the office of strategic planning and the office of systems planning of the  
10 division of planning, which shall be a division within the department of administration.

11           (c) *Strategic planning.* Strategic planning includes the following activities:

12           (1) Establishing or identifying general goals.

13           (2) Refining or detailing these goals and identifying relationships between them.

14           (3) Formulating, testing, and selecting policies and standards that will achieve desired objectives.

15           (4) Preparing long-range or system plans or comprehensive programs that carry out the policies  
16 and set time schedules, performance measures, and targets.

17           (5) Preparing functional short-range plans or programs that are consistent with established or  
18 desired goals, objectives, and policies, and with long-range or system plans or comprehensive programs  
19 where applicable, and that establish measurable intermediate steps toward their accomplishment of the  
20 goals, objectives, policies, and/or long-range system plans.

21           (6) Monitoring the planning of specific projects and designing of specific programs of short  
22 duration by the operating departments, other agencies of the executive branch, and political subdivisions of  
23 the state to ensure that these are consistent with and carry out the intent of applicable strategic plans.

24           (7) Reviewing the execution of strategic plans and the results obtained and making revisions  
25 necessary to achieve established goals.

1 (d) *State guide plan.* Components of strategic plans prepared and adopted in accordance with this  
2 section may be designated as elements of the state guide plan. The state guide plan shall be comprised of  
3 functional elements or plans dealing with land use; physical development and environmental concerns;  
4 economic development; housing production; energy supply, including the development of renewable  
5 energy resources in Rhode Island, and energy access, use, and conservation; human services; and other  
6 factors necessary to accomplish the objective of this section. The state guide plan shall be a means for  
7 centralizing, integrating, and monitoring long-range goals, policies, plans, and implementation activities  
8 related thereto. State agencies concerned with specific subject areas, local governments, and the public  
9 shall participate in the state guide planning process, which shall be closely coordinated with the budgeting  
10 process.

11 (e) *Membership of state planning council.* The state planning council shall consist of **the following**  
12 **members:**

- 13 (1) The director of the department of administration as chairperson;
- 14 (2) The director, policy office, in the office of the governor, as vice-chairperson;
- 15 (3) The governor, or his or her designee;
- 16 (4) The budget officer;
- 17 (5) The chairperson of the housing resources commission;
- 18 (6) The **chief of statewide highest-ranking administrative officer of the division of** planning, as  
19 secretary;
- 20 (7) The president of the League of Cities and Towns or his or her designee and one official of local  
21 government, who shall be appointed by the governor from a list of not less than three (3) submitted by the  
22 Rhode Island League Cities and Towns; **and**
- 23 (8) The executive director of the League of Cities and Towns;
- 24 (9) One representative of a nonprofit community development or housing organization;

1 (10) ~~Four (4)~~ Six (6) public members, appointed by the governor one of whom shall be an employer  
2 with fewer than fifty (50) employees and one of whom shall be an employer with greater than fifty (50)  
3 employees;

4 (11) Two (2) representatives of a private, nonprofit environmental advocacy organization, both to  
5 be appointed by the governor; ~~and~~

6 (12) The director of planning and development for the city of Providence.

7 (13) The director of the department of transportation;

8 (14) The director of the department of environmental management;

9 (15) The director of the department of health;

10 (16) The chief executive officer of the commerce corporation;

11 (17) The commissioner of the Rhode Island office of energy resources;

12 (18) The chief executive officer of the Rhode Island public transit authority;

13 (19) The executive director of Rhode Island housing; and

14 (20) The executive director of the coastal resources management council.

15 (f) *Powers and duties of state planning council.* The state planning council shall have the  
16 following powers and duties:

17 (1) To adopt strategic plans as defined in this section and the long-range state guide plan, and to  
18 modify and amend any of these, following the procedures for notification and public hearing set forth in  
19 section 42-35-3, and to recommend and encourage implementation of these goals to the general assembly,  
20 state and federal agencies, and other public and private bodies; approval of strategic plans by the governor;  
21 and to ensure that strategic plans and the long-range state guide plan are consistent with the findings, intent,  
22 and goals set forth in § 45-22.2-3, the "Rhode Island Comprehensive Planning and Land Use Regulation  
23 Act";

24 (2) To coordinate the planning and development activities of all state agencies, in accordance with  
25 strategic plans prepared and adopted as provided for by this section;

1 (3) To review and comment on the proposed annual work program of the statewide planning  
2 program;

3 (4) To adopt rules and standards and issue orders concerning any matters within its jurisdiction as  
4 established by this section and amendments to it;

5 (5) To establish advisory committees and appoint members thereto representing diverse interests  
6 and viewpoints as required in the state planning process and in the preparation or implementation of  
7 strategic plans. The state planning council shall appoint a permanent committee comprised of:

8 (i) Public members from different geographic areas of the state representing diverse interests, and

9 (ii) Officials of state, local and federal government, which shall review all proposed elements of  
10 the state guide plan, or amendment or repeal of any element of the plan, and shall advise the state planning  
11 council thereon before the council acts on any such proposal. This committee shall also advise the state  
12 planning council on any other matter referred to it by the council; and

13 (6) To establish and appoint members to an executive committee consisting of major participants  
14 of a Rhode Island geographic information system with oversight responsibility for its activities.

15 (7) To adopt, ~~on or before July 1, 2007, and to~~ amend and maintain as an element of the state guide  
16 plan or as an amendment to an existing element of the state guide plan, standards and guidelines for the  
17 location of eligible renewable energy resources and renewable energy facilities in Rhode Island with due  
18 consideration for the location of such resources and facilities in commercial and industrial areas,  
19 agricultural areas, areas occupied by public and private institutions, and property of the state and its  
20 agencies and corporations, provided such areas are of sufficient size, and in other areas of the state as  
21 appropriate.

22 (8) To act as the single, statewide metropolitan planning organization for transportation planning,  
23 and to promulgate all rules and regulations that are necessary thereto.

24 (g) *Division of planning.*

25 (1) The division of planning shall be the principal staff agency of the state planning council for  
26 preparing and/or coordinating strategic plans for the comprehensive management of the state's human,

1 economic, and physical resources. The division of planning shall recommend to the state planning council  
2 specific guidelines, standards, and programs to be adopted to implement strategic planning and the state  
3 guide plan and shall undertake any other duties established by this section and amendments thereto.

4 (2) The division of planning shall maintain records (which shall consist of files of complete copies)  
5 of all plans, recommendations, rules, and modifications or amendments thereto adopted or issued by the  
6 state planning council under this section. The records shall be open to the public.

7 (3) The division of planning shall manage and administer the Rhode Island geographic information  
8 system of land-related resources, and shall coordinate these efforts with other state departments and  
9 agencies, including the University of Rhode Island, which shall provide technical support and assistance in  
10 the development and maintenance of the system and its associated data base.

11 (4) The division of planning shall coordinate and oversee the provision of technical assistance to  
12 political subdivisions of the state in preparing and implementing plans to accomplish the purposes, goals,  
13 objectives, policies, and/or standards of applicable elements of the state guide plan and shall make available  
14 to cities and towns data and guidelines that may be used in preparing comprehensive plans and elements  
15 thereof and in evaluating comprehensive plans and elements thereby.

16 (h) [Deleted by P.L. 2011, ch. 215, § 4, and by P.L. 2011, ch. 313, § 4]

17 ~~(i) The division of planning shall be the principal staff agency of the water resources board~~  
18 ~~established pursuant to chapter 46-15 (“Water Resources Board”) and the water resources board corporate~~  
19 ~~established pursuant to chapter 46-15.1 (“Water Supply Facilities”).~~

20 SECTION 14. Section 42-11-10.1 of the General Laws in Chapter 42-11 entitled "Department of  
21 Administration" is hereby repealed.

22 **42-11-10.1. Transfer of powers, functions and resources from the water resources board.--**

23 ~~(a) There are hereby transferred to the division of planning within the department of administration~~  
24 ~~those powers and duties formerly administered by the employees of the water resources board as provided~~  
25 ~~for in chapter 46-15 (“Water Resources Board”) through 46-15.8 (“Water Use and Efficiency Act”),~~



1 ~~inclusive, and any other applicable provisions of the general laws; provided, however, the governor shall~~  
2 ~~submit to the 2012 assembly any recommended statutory changes necessary to facilitate the merger.~~

3 (b) ~~All resources of the water resources board, including, but not limited to, property, employees~~  
4 ~~and accounts, are hereby transferred to the division of planning.~~

5 (c) ~~As part of the above transfer, except for the general manager, all employees of the water~~  
6 ~~resources board currently subject to the provisions of chapter 4 of title 36 shall continue to be subject to~~  
7 ~~those provisions.~~

8 SECTION 15. Section 46-15.1-19.1 of the General Laws in Chapter 46-15.1 entitled "Water Supply  
9 Facilities" is hereby amended to read as follows:

10 **46-15.1-19.1 Big River Reservoir – Administration.**

11 The Rhode Island ~~water resources board, established pursuant to this chapter and chapter 15 of this~~  
12 ~~title, department of administration~~ shall be the ~~only~~-designated agency which will administer those lands  
13 acquired for the Big River Reservoir as established under section 23 of chapter 133 of the Public Laws of  
14 1964. The director of the department of environmental management and the director's authorized agents,  
15 employees, and designees shall, together with the ~~water resources board~~ department of administration in  
16 accordance with the Big River management area land use plan for the lands, protect the natural resources  
17 of the Big River Reservoir lands. The lands of the Big River Reservoir are subject to enforcement authority  
18 of the department of environmental management, as provided for in chapter 17.1 of title 42, and as provided  
19 for in title 20 of the General Laws.

20 SECTION 16. Section 42-133-6 of the General Laws in Chapter entitled "Tobacco Settlement  
21 Financing Corporation Act" is hereby amended to read as follows:

22 **42-133-6 Board and officers.**

23 (a)(1) The powers of the corporation shall be vested in a board consisting of five (5) members,  
24 which shall constitute the governing body of the corporation, and which shall be comprised as follows: ~~two~~  
25 ~~(2) members of the state investment commission to be appointed by the governor who shall give due~~  
26 ~~consideration to the recommendation of the chair of the investment commission, the state budget officer,~~

1 who shall serve as chairperson, the general treasurer or designee, the director of revenue or designee and  
2 ~~three (3)~~ two (2) members of the general public appointed by the governor with the advice and consent of  
3 the senate. Each public member shall serve for a term of ~~two (2)~~ four (4) years, except that any member  
4 appointed to fill a vacancy shall serve only until the expiration of the unexpired term of such member's  
5 predecessor in office. Each member shall continue to hold office until a successor has been appointed.  
6 Members shall be eligible for reappointment. No person shall be eligible for appointment unless such person  
7 is a resident of the state. Each member, before entering upon the duties of the office of member, shall swear  
8 or solemnly affirm to administer the duties of office faithfully and impartially, and such oath or affirmation  
9 shall be filed in the office of the secretary of state.

10 ~~(2) Those members of the board as of July 9, 2005 who were appointed to the board by members~~  
11 ~~of the general assembly shall cease to be members of the board on July 9, 2005, and the governor shall~~  
12 ~~thereupon seek recommendations from the chair of the state investment commission for him or her duly to~~  
13 ~~consider for the appointment of two (2) members thereof. Those members of the board as of July 9, 2005~~  
14 ~~who were appointed to the board by the governor shall continue to serve the balance of their current terms.~~

15 ~~(3)(2)~~ Newly appointed and qualified public members shall, within six (6) months of their  
16 qualification or designation, attend a training course that shall be developed with board approval and  
17 conducted by the chair of the board and shall include instruction in the subject area of chapters 46 of this  
18 title, 133 of this title, 14 of title 36, and 2 of title 38; and the board's rules and regulations. The director of  
19 the department of administration shall, within ninety (90) days of July 9, 2005, prepare and disseminate  
20 training materials relating to the provisions of chapters 46 of this title, 14 of title 36 and 2 of title 38.

21 (b) Members shall receive no compensation for the performance of their duties.

22 (c) ~~The board shall elect one of its members to serve as chairperson.~~ Three (3) members shall  
23 constitute a quorum, and any action to be taken by the corporation under the provisions of this chapter may  
24 be authorized by resolution approved by a majority of the members present and voting at any regular or  
25 special meeting at which a quorum is present.

1           (d) ~~In addition to electing a chairperson, the~~ The board shall appoint a secretary and such additional  
2 officers as it shall deem appropriate.

3           (e) Any action taken by the corporation under the provisions of this chapter may be authorized by  
4 vote at any regular or special meeting, and the vote shall take effect immediately.

5           (f) Any action required by this chapter to be taken at a meeting of the board shall comply with  
6 chapter 46 of this title, entitled "Open Meetings."

7           (g) To the extent that administrative assistance is needed for the functions and operations of the  
8 board, the corporation may by contract or agreement obtain this assistance from the director of  
9 administration, the attorney general, and any successor officer at such cost to the corporation as shall be  
10 established by such contract or agreement. The board, however, shall remain responsible for, and provide  
11 oversight of, proper implementation of this chapter.

12           (h) Members of the board and persons acting on the corporation's behalf, while acting within the  
13 scope of their employment or agency, are not subject to personal liability resulting from carrying out the  
14 powers and duties conferred on them under this chapter.

15           (i) The state shall indemnify and hold harmless every past, present, or future board member, officer  
16 or employee of the corporation who is made a party to or is required to testify in any action, investigation,  
17 or other proceeding in connection with or arising out of the performance or alleged lack of performance of  
18 that person's duties on behalf of the corporation. These persons shall be indemnified and held harmless,  
19 whether they are sued individually or in their capacities as board members, officers or employees of the  
20 corporation, for all expenses, legal fees and/or costs incurred by them during or resulting from the  
21 proceedings, and for any award or judgment arising out of their service to the corporation that is not paid  
22 by the corporation and is sought to be enforced against a person individually, as expenses, legal fees, costs,  
23 awards or judgments occur; provided, that neither the state nor the corporation shall indemnify any member,  
24 officer, or employee:

25           (1) For acts or omissions not in good faith or which involve intentional misconduct or a knowing  
26 violation of law;

1 (2) For any transaction from which the member derived an improper personal benefit; or

2 (3) For any malicious act.

3 (j) Public members of the board shall be removable by the governor, pursuant to the provisions of  
4 § 36-1-7, for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness  
5 for the office shall be unlawful.

6 SECTION 17. Sections 44-31.2-2 and 44-31.2-6 of the General Laws in Chapter 44-31.2 entitled  
7 “Motion Picture Production Tax Credits” are hereby amended to read as follows:

8 **44-31.2-2. Definitions.**

9 For the purposes of this chapter:

10 (1) "Accountant's certification" as provided in this chapter means a certified audit by a Rhode Island  
11 certified public accountant licensed in accordance with chapter 3.1 of title 5.

12 (2) "Application year" means within the calendar year the motion picture production company files  
13 an application for the tax credit.

14 (3) "Base investment" means the actual investment made and expended by a state-certified  
15 production in the state as production-related costs.

16 (4) "Documentary production" means a non-fiction production intended for educational or  
17 commercial distribution that may require out-of-state principal photography.

18 (5) "Domiciled in Rhode Island" means a corporation incorporated in Rhode Island or a partnership,  
19 limited liability company, or other business entity formed under the laws of the state of Rhode Island for  
20 the purpose of producing motion pictures as defined in this section, or an individual who is a domiciled  
21 resident of the state of Rhode Island as defined in chapter 30 of this title.

22 (6) "Final production budget" means and includes the total pre-production, production, and post-  
23 production out-of-pocket costs incurred and paid in connection with the making of the motion picture. The  
24 final production budget excludes costs associated with the promotion or marketing of the motion picture.

25 (7) "Motion picture" means a feature-length film, documentary production, video, television series,  
26 or commercial made in Rhode Island, in whole or in part, for theatrical or television viewing or as a

1 television pilot or for educational distribution. The term "motion picture" shall not include the production  
2 of television coverage of news or athletic events, nor shall it apply to any film, video, television series, or  
3 commercial or a production for which records are required under 18 U.S.C. § 2257, to be maintained with  
4 respect to any performer in such production or reporting of books, films, etc. with respect to sexually  
5 explicit conduct.

6 (8) "Motion picture production company" means a corporation, partnership, limited liability  
7 company, or other business entity engaged in the business of producing one or more motion pictures as  
8 defined in this section. Motion picture production company shall not mean or include:

9 (a) Any company owned, affiliated, or controlled, in whole or in part, by any company or person  
10 who or that is in default:

11 (i) On taxes owed to the state; or

12 (ii) On a loan made by the state in the application year; or

13 (iii) On a loan guaranteed by the state in the application year; or

14 (b) Any company or person who or that has discharged an obligation to pay or repay public funds  
15 or monies by:

16 (i) Filing a petition under any federal or state bankruptcy or insolvency law;

17 (ii) Having a petition filed under any federal or state bankruptcy or insolvency law against such  
18 company or person;

19 (iii) Consenting to, or acquiescing or joining in, a petition named in (i) or (ii);

20 (iv) Consenting to, or acquiescing or joining in, the appointment of a custodian, receiver, trustee,  
21 or examiner for such company's or person's property; or

22 (v) Making an assignment for the benefit of creditors or admitting in writing or in any legal  
23 proceeding its insolvency or inability to pay debts as they become due.

24 (9) "Primary locations" means the locations that (1) At least fifty-one percent (51%) of the motion  
25 picture principal photography days are filmed; or (2) At least fifty-one percent (51%) of the motion picture's  
26 final production budget is spent and employs at least five (5) individuals during the production in this state;

1 or (3) For documentary productions, the location of at least fifty-one percent (51%) of the total  
2 productions days, which shall include pre-production and post-production locations.

3 (10) "Rhode Island film and television office" means an office—within the ~~department of~~  
4 ~~administration~~ Rhode Island Council on the Arts that has been established in order to promote and  
5 encourage the locating of film and television productions within the state of Rhode Island. The office is  
6 also referred to within as the "film office".

7 (11) "State-certified production" means a motion picture production approved by the Rhode Island  
8 film office and produced by a motion picture production company domiciled in Rhode Island, whether or  
9 not such company owns or controls the copyright and distribution rights in the motion picture; provided,  
10 that such company has either:

11 (a) Signed a viable distribution plan; or

12 (b) Is producing the motion picture for:

13 (i) A major motion picture distributor;

14 (ii) A major theatrical exhibitor;

15 (iii) Television network; or

16 (iv) Cable television programmer.

17 (12) "State-certified production cost" means any pre-production, production, and post-production  
18 cost that a motion picture production company incurs and pays to the extent it occurs within the state of  
19 Rhode Island. Without limiting the generality of the foregoing, "state-certified production costs" include:  
20 set construction and operation; wardrobes, make-up, accessories, and related services; costs associated with  
21 photography and sound synchronization, lighting, and related services and materials; editing and related  
22 services, including, but not limited to: film processing, transfers of film to tape or digital format, sound  
23 mixing, computer graphics services, special effects services, and animation services, salary, wages, and  
24 other compensation, including related benefits, of persons employed, either directly or indirectly, in the  
25 production of a film including writer, motion picture director, producer (provided the work is performed in  
26 the state of Rhode Island); rental of facilities and equipment used in Rhode Island; leasing of vehicles; costs

1 of food and lodging; music, if performed, composed, or recorded by a Rhode Island musician, or released  
2 or published by a person domiciled in Rhode Island; travel expenses incurred to bring persons employed,  
3 either directly or indirectly, in the production of the motion picture, to Rhode Island (but not expenses of  
4 such persons departing from Rhode Island); and legal (but not the expense of a completion bond or  
5 insurance and accounting fees and expenses related to the production's activities in Rhode Island); provided  
6 such services are provided by Rhode Island licensed attorneys or accountants.

7 **44-31.2-6. Certification and administration.**

8 *(a) Initial certification of a production.* The applicant shall properly prepare, sign and submit to the  
9 film office an application for initial certification of the Rhode Island production. The application shall  
10 include such information and data as the film office deems necessary for the proper evaluation and  
11 administration of said application, including, but not limited to, any information about the motion picture  
12 production company, and a specific Rhode Island motion picture. The film office shall review the completed  
13 application and determine whether it meets the requisite criteria and qualifications for the initial  
14 certification for the production. If the initial certification is granted, the film office shall issue a notice of  
15 initial certification of the motion picture production to the motion picture production company and to the  
16 tax administrator. The notice shall state that, after appropriate review, the initial application meets the  
17 appropriate criteria for conditional eligibility. The notice of initial certification will provide a unique  
18 identification number for the production and is only a statement of conditional eligibility for the production  
19 and, as such, does not grant or convey any Rhode Island tax benefits.

20 *(b) Final certification of a production.* Upon completion of the Rhode Island production activities,  
21 the applicant shall request a certificate of good standing from the Rhode Island division of taxation. Such  
22 certificates shall verify to the film office the motion picture production company's compliance with the  
23 requirements of subsection 44-31.2-2(5). The applicant shall properly prepare, sign and submit to the film  
24 office an application for final certification of the production and which must include the certificate of good  
25 standing from the division of taxation. In addition, the application shall contain such information and data  
26 as the film office determines is necessary for the proper evaluation and administration, including, but not

1 limited to, any information about the motion picture production company, its investors and information  
2 about the production previously granted initial certification. The final application shall also contain a cost  
3 report and an "accountant's certification". The film office and tax administrator may rely without  
4 independent investigation, upon the accountant's certification, in the form of an opinion, confirming the  
5 accuracy of the information included in the cost report. Upon review of a duly completed and filed  
6 application, the film office will make a determination pertaining to the final certification of the production.  
7 Within ninety (90) days after the division of taxation's receipt of the motion picture production company  
8 final certification and cost report, the division of taxation shall issue a certification of the amount of credit  
9 for which the motion picture production company qualifies under § 44-31.2-5. To claim the tax credit, the  
10 division of taxation's certification as to the amount of the tax credit shall be attached to all state tax returns  
11 on which the credit is claimed.

12 (c) *Final certification and credits.* Upon determination that the motion picture production company  
13 qualifies for final certification, the film office shall issue a letter to the production company indicating  
14 "certificate of completion of a state certified production". A motion picture production company is  
15 prohibited from using state funds, state loans or state guaranteed loans to qualify for the motion picture tax  
16 credit. All documents that are issued by the film office pursuant to this section shall reference the  
17 identification number that was issued to the production as part of its initial certification.

18 (d) The director of ~~the department of administration,~~ the Rhode Island Council on the Arts, in  
19 consultation as needed with the tax administrator, shall promulgate such rules and regulations as are  
20 necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines  
21 provided herein for the certification of the production and the resultant production credit.

22 (e) The tax administrator of the division of taxation, in consultation with the director of the Rhode  
23 Island film and television office, shall promulgate such rules and regulations as are necessary to carry out  
24 the intent and purposes of this chapter in accordance with the general guidelines for the tax credit provided  
25 herein.



1 (f) Any motion picture production company applying for the credit shall be required to reimburse  
2 the division of taxation for any audits required in relation to granting the credit.

3 SECTION 18. Section 42-63.1-3 of the General Laws in Chapter 42-63.1 entitled "Tourism and  
4 Development" is hereby amended to read as follows:

5 **42-63.1-3. Distribution of tax.**

6 (a) For returns and tax payments received on or before December 31, 2015, except as provided in  
7 § 42-63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential  
8 units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the  
9 division of taxation and the city of Newport:

10 (1) Forty-seven percent (47%) of the tax generated by the hotels in the district, except as otherwise  
11 provided in this chapter, shall be given to the regional tourism district wherein the hotel is located; provided,  
12 however, that from the tax generated by the hotels in the city of Warwick, thirty-one percent (31%) of the  
13 tax shall be given to the Warwick regional tourism district established in § 42-63.1-5(a)(5) and sixteen  
14 percent (16%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors' Bureau  
15 established in § 42-63.1-11; and provided further, that from the tax generated by the hotels in the city of  
16 Providence, sixteen percent (16%) of that tax shall be given to the Greater Providence-Warwick Convention  
17 and Visitors' Bureau established by § 42-63.1-11, and thirty-one percent (31%) of that tax shall be given to  
18 the Convention Authority of the city of Providence established pursuant to the provisions of chapter 84 of  
19 the public laws of January, 1980; provided, however, that the receipts attributable to the district as defined  
20 in § 42-63.1-5(a)(7) shall be deposited as general revenues, and that the receipts attributable to the district  
21 as defined in § 42-63.1-5(a)(8) shall be given to the Rhode Island commerce corporation as established in  
22 chapter 64 of title 42.

23 (2) Twenty-five percent (25%) of the hotel tax shall be given to the city or town where the hotel,  
24 which generated the tax, is physically located, to be used for whatever purpose the city or town decides.  
25 The tax administrator is authorized to withhold and offset from any distribution pursuant to this section any  
26 amounts owed to state agencies consistent with the requirements of R.I. Gen. Laws § 45-13-1.1.

1           (3) Twenty-one (21%) of the hotel tax shall be given to the Rhode Island commerce corporation  
2 established in chapter 64 of title 42, and seven percent (7%) to the Greater Providence-Warwick Convention  
3 and Visitors' Bureau.

4           (b) For returns and tax payments received after December 31, 2015, except as provided in § 42-  
5 63.1-12, the proceeds of the hotel tax, excluding such portion of the hotel tax collected from residential  
6 units offered for tourist or transient use through a hosting platform, shall be distributed as follows by the  
7 division of taxation and the city of Newport:

8           (1) For the tax generated by the hotels in the Aquidneck Island district, as defined in § 42-63.1-5,  
9 forty-two percent (42%) of the tax shall be given to the Aquidneck Island district, twenty-five (25%) of the  
10 tax shall be given to the city or town where the hotel, which generated the tax, is physically located, five  
11 percent (5%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau  
12 established in § 42-63.1-11, and twenty-eight percent (28%) of the tax shall be given to the Rhode Island  
13 commerce corporation established in chapter 64 of title 42.

14           (2) For the tax generated by the hotels in the Providence district as defined in § 42-63.1-5, twenty  
15 eight percent (28%) of the tax shall be given to the Providence district, twenty-five percent (25%) of the  
16 tax shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-  
17 three (23%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors Bureau  
18 established in § 42-63.1-11, and twenty-four (24%) of the tax shall be given to the Rhode Island commerce  
19 corporation established in chapter 64 of title 42.

20           (3) For the tax generated by the hotels in the Warwick district as defined in § 42-63.1-5, twenty-  
21 eight percent (28%) of the tax shall be given to the Warwick District, twenty-five percent (25%) of the tax  
22 shall be given to the city or town where the hotel, which generated the tax, is physically located, twenty-  
23 three percent (23%) of the tax shall be given to the Greater Providence-Warwick Convention and Visitors  
24 Bureau established in § 42-63.1-11, and twenty-four (24%) of the tax shall be given to the Rhode Island  
25 commerce corporation established in chapter 64 of title 42.

1 (4) For the tax generated by the hotels in the Statewide district, as defined in § 42-63.1-5, twenty-  
2 five percent (25%) of the tax shall be given to the city or town where the hotel, which generated the tax, is  
3 physically located, five percent (5%) of the tax shall be given to the Greater Providence-Warwick  
4 Convention and Visitors Bureau established in § 42-63.1-11, and seventy percent (70%) of the tax shall be  
5 given to the Rhode Island commerce corporation established in chapter 64 of title 42.

6 (5) With respect to the tax generated by hotels in districts other than those set forth in subdivisions  
7 (b)(1) through (b)(4), forty-two percent (42%) of the tax shall be given to the regional tourism district, as  
8 defined in § 42-63.1-5, wherein the hotel is located, twenty-five percent (25%) of the tax shall be given to  
9 the city or town where the hotel, which generated the tax, is physically located, five percent (5%) of the tax  
10 shall be given to the Greater Providence-Warwick Convention and Visitors Bureau established in § 42-  
11 63.1-11, and twenty-eight (28%) of the tax shall be given to the Rhode Island commerce corporation  
12 established in chapter 64 of title 42.

13 (c) The proceeds of the hotel tax collected from residential units offered for tourist or transient use  
14 through a hosting platform shall be distributed as follows by the division of taxation and the city of Newport:  
15 twenty-five percent (25%) of the tax shall be given to the city or town where the residential unit, which  
16 generated the tax, is physically located, and seventy-five percent (75%) of the tax shall be given to the  
17 Rhode Island commerce corporation established in chapter 64 of title 42.

18 (d) The Rhode Island commerce corporation shall be required in each fiscal year to spend on the  
19 promotion and marketing of Rhode Island as a destination for tourists or businesses an amount of money  
20 of no less than the total proceeds of the hotel tax it receives pursuant to this chapter for such fiscal year.

21 (e) Notwithstanding the foregoing provisions of this section, for returns and tax payments received  
22 on or after July 1, 2016 and on or before June 30, 2017, except as provided in § 42-63.1-12, the proceeds  
23 of the hotel tax, excluding such portion of the hotel tax collected from residential units offered for tourist  
24 or transient use through a hosting platform, shall be distributed in accordance with the distribution  
25 percentages established in § 42-63.1-3(a)(1) through § 42-63.1-3(a)(3) by the division of taxation and the  
26 city of Newport.

1 SECTION 19. Section 44-13-13 of the General Laws in Chapter 44-13 entitled "Public Service  
2 Corporation Tax" is hereby amended to read as follows:

3 **44-13-13. Taxation of certain tangible personal property.**

4 The lines, cables, conduits, ducts, pipes, machines and machinery, equipment, and other tangible  
5 personal property within this state of telegraph, cable, and telecommunications corporations and express  
6 corporations, used exclusively in the carrying on of the business of the corporation shall be exempt from  
7 local taxation; provided, that nothing in this section shall be construed to exempt any "community antenna  
8 television system company" (CATV) from local taxation; and provided, that the tangible personal property  
9 of companies exempted from local taxation by the provisions of this section shall be subject to taxation in  
10 the following manner:

11 (1) *Definitions.* Whenever used in this section and in §§ 44-13-13.1 and 44-13-13.2, unless the  
12 context otherwise requires:

13 (i) "Average assessment ratio" means the total assessed valuation as certified on tax rolls for the  
14 reference year divided by the full market value of the valuation as computed by the Rhode Island department  
15 of revenue in accordance with § 16-7-21;

16 (ii) "Average property tax rate" means the statewide total property levy divided by the statewide  
17 total assessed valuation as certified on tax rolls for the most recent tax year;

18 (iii) "Company" means any telegraph, cable, telecommunications, or express company doing  
19 business within the state of Rhode Island;

20 (iv) "Department" means the department of revenue;

21 (v) "Population" shall mean the population as determined by the most recent census;

22 (vi) "Reference year" means the calendar year two (2) years prior to the calendar year preceding  
23 that in which the tax payment provided for by this section is levied;

24 (vii) "Value of tangible personal property" of companies means the net book value of tangible  
25 personal property of each company doing business in this state as computed by the department of revenue.

1 "Net book value" means the original cost less accumulated depreciation; provided, that no tangible personal  
2 property shall be depreciated more than seventy-five percent (75%) of its original cost.

3 (2) On or before March 1 of each year, each company shall declare to the department, on forms  
4 provided by the department, the value of its tangible personal property in the state of Rhode Island on the  
5 preceding December 31.

6 (3) On or before April 1, 1982 and each April 1 thereafter of each year, the division of property  
7 valuation shall certify to the tax administrator the average property tax rate, the average assessment ratio,  
8 and the value of tangible personal property of each company.

9 (4) The tax administrator shall apply the average assessment ratio and the average tax rate to the  
10 value of tangible personal property of each company and, by April 15 of each year, shall notify the  
11 companies of the amount of tax due. For each filing relating to tangible personal property as of December  
12 31, 2008 and thereafter the tax rate applied by the tax administrator shall be not less than the rate applied  
13 in the prior year.

14 (5) The tax shall be due and payable within sixty (60) days of the mailing of the notice by the tax  
15 administrator. If the entire tax is not paid to the tax administrator when due, there shall be added to the  
16 unpaid portion of the tax, and made a part of the tax, interest at the rate provided for in § 44-1-7 from the  
17 date the tax was due until the date of the payment. The amount of any tax, including interest, imposed by  
18 this section shall be a debt due from the company to the state, shall be recoverable at law in the same manner  
19 as other debts, and shall, until collected, constitute a lien upon all the company's property located in this  
20 state.

21 (6) The proceeds from the tax shall be allocated in the following manner:

22 (i) Payment of reasonable administrative expenses incurred by the department of revenue, not to  
23 exceed three quarters of one percent (.75%), the payment to be identified as general revenue and  
24 appropriated directly to the department;

25 (ii) The remainder of the proceeds shall be deposited in a restricted revenue account and shall be  
26 apportioned to the cities and towns within this state on the basis of the ratio of the city or town population

1 to the population of the state as a whole. Estimated revenues shall be distributed to cities and towns by July  
2 30 and may be recorded as a receivable by each city and town for the prior fiscal year. The Department is  
3 authorized to withhold and offset from any distribution pursuant to this section any amounts owed to state  
4 agencies consistent with the requirements of R.I. Gen. Laws § 45-13-1.1.

5 SECTION 20. Section 44-18-18.1 of the General Laws in Chapter 44-18 entitled “Sales and Use  
6 Taxes – Liability and Computation” is hereby amended to read as follows:

7 **44-18-18.1. Local meals and beverage tax.**

8 (a) There is hereby levied and imposed, upon every purchaser of a meal and/or beverage, in addition  
9 to all other taxes and fees now imposed by law, a local meals and beverage tax upon each and every meal  
10 and/or beverage sold within the state of Rhode Island in or from an eating and/or drinking establishment,  
11 whether prepared in the eating and/or drinking establishment or not and whether consumed at the premises  
12 or not, at a rate of one percent of the gross receipts. The tax shall be paid to the tax administrator by the  
13 retailer at the time and in the manner provided.

14 (b) All sums received by the division of taxation under this section as taxes, penalties, or forfeitures,  
15 interest, costs of suit, and fines shall be distributed at least quarterly and credited and paid by the state  
16 treasurer to the city or town where the meals and beverages are delivered. The tax administrator is  
17 authorized to withhold and offset from any distribution pursuant to this section any amounts owed to state  
18 agencies consistent with the requirements of R.I. Gen. Laws § 45-13-1.1.

19 (c) When used in this section, the following words have the following meanings:

20 (1) "Beverage" means all nonalcoholic beverages, as well as alcoholic beverages, beer, lager beer,  
21 ale, porter, wine, similar fermented malt, or vinous liquor.

22 (2) "Eating and/or drinking establishment" means and includes restaurants, bars, taverns, lounges,  
23 cafeterias, lunch counters, drive-ins, roadside ice cream and refreshment stands, fish-and-chip places, fried  
24 chicken places, pizzerias, food-and-drink concessions, or similar facilities in amusement parks, bowling  
25 alleys, clubs, caterers, drive-in theatres, industrial plants, race tracks, shore resorts or other locations, lunch  
26 carts, mobile canteens and other similar vehicles, and other like places of business that furnish or provide

1 facilities for immediate consumption of food at tables, chairs, or, counters or from trays, plates, cups, or  
2 other tableware, or in parking facilities provided primarily for the use of patrons in consuming products  
3 purchased at the location. Ordinarily, eating establishment does not mean and include food stores and  
4 supermarkets. Eating establishments does not mean "vending machines," a self-contained automatic device  
5 that dispenses for sale foods, beverages, or confection products. Retailers selling prepared foods in bulk,  
6 either in customer-furnished containers or in the seller's containers, for example "Soup and Sauce"  
7 establishments, are deemed to be selling prepared foods ordinarily for immediate consumption and, as such,  
8 are considered eating establishments.

9 (3) "Meal" means any prepared food or beverage offered or held out for sale by an eating and/or  
10 drinking establishment for the purpose of being consumed by any person to satisfy the appetite and that is  
11 ready for immediate consumption. All such food and beverage, unless otherwise specifically exempted or  
12 excluded herein shall be included, whether intended to be consumed on the seller's premises or elsewhere,  
13 whether designated as breakfast, lunch, snack, dinner, supper, or by some other name, and without regard  
14 to the manner, time, or place of service.

15 (d) This local meals and beverage tax shall be administered and collected by the division of  
16 taxation, and unless provided to the contrary in this chapter, all of the administration, collection, and other  
17 provisions of chapters 18 and 19 of this title apply.

18 In recognition of the work being performed by the streamlined sales and use tax governing board, upon  
19 passage of any federal law that authorizes states to require remote sellers to collect and remit sales and use  
20 taxes, the rate imposed under this section shall be increased from one percent (1%) to one and one-half  
21 percent (1.5%). The one and one-half percent (1.5%) rate shall take effect on the date that the state requires  
22 remote sellers to collect and remit sales and use taxes.

23 SECTION 21. Section 45-13-1.1 of the General Laws in Chapter 45-13 entitled "Aid reduced by  
24 amounts owed state entities" is hereby amended to read as follows:

25 **45-13-1.1. Aid reduced by amounts owed state entities.**

1           If any city or town fails to pay any assessment, bill, or charge levied, presented, or imposed by any  
2 public or quasi-public board, commission, corporation, council, authority, agency, department, committee  
3 or other similar body organized under the laws of this state, within ninety (90) ~~one hundred eighty (180)~~  
4 days of the presentment for payment of the assessment, bill, or charge to the city or town, then there shall  
5 be deducted from any state aid determined to be due under the provisions of this chapter, or from any funds  
6 distributed pursuant to chapters 44-18 (sales and use tax) and 44-13 (public service corporation tax) of Title  
7 44, and an amount equal to that due and owing any or all of those commissions; provided, that the amount  
8 of any deduction shall be reduced by the amount of any bill or charge presented for payment by city or town  
9 to the state, which bill or charge has not been paid by the state within ninety (90) ~~one hundred eighty (180)~~  
10 days of presentment.

11           SECTION 22. This Article shall take effect upon passage.