

State of Rhode Island and Providence Plantations

# Fiscal Year 2019 Budget



Volume I – General Government and Quasi-Public Agencies

Gina M. Raimondo, Governor

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## **Agency Summary**

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### **DEPARTMENT OF REVENUE**

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#### **Agency Mission**

Assesses and collects all taxes, fees, and revenues in the most efficient and cost-effective manner. Recommends options to enhance revenue collections and revenue competitiveness by evaluating the State's revenue policies and practices. Administers and enforces all laws pertaining to the operation and registration of motor vehicles. Administers a lottery system in the most efficient, ethical, and cost-effective manner. Monitors and reports on the financial condition of the State's cities and towns. Administers a databank on local finances and property values for the benefit of municipalities and public policy decision-makers. Assists cities and towns in financial distress to achieve sound fiscal management through data analysis, technical assistance, training, and oversight.

#### **Agency Description**

The Department of Revenue was established as a separate department within the executive branch of state government by the 2006 General Assembly and came into existence on July 1, 2006. The department is headed by the Director of Revenue, who is appointed by the Governor, with the advice and consent of the Senate. The Department has seven programmatic functions, including Central Management (Director of Revenue), Taxation, State Lottery, Registry of Motor Vehicles, Revenue Analysis, Municipal Finance, and State Aid (State Aid was transferred from the Department of Administration to the Department of Revenue in FY 2012).

#### **Statutory History**

The Department of Revenue was created by the 2006 General Assembly through the enactment of Article 38 sub. A of the FY 2007 Appropriations Act (R.I.G.L. 42-142).

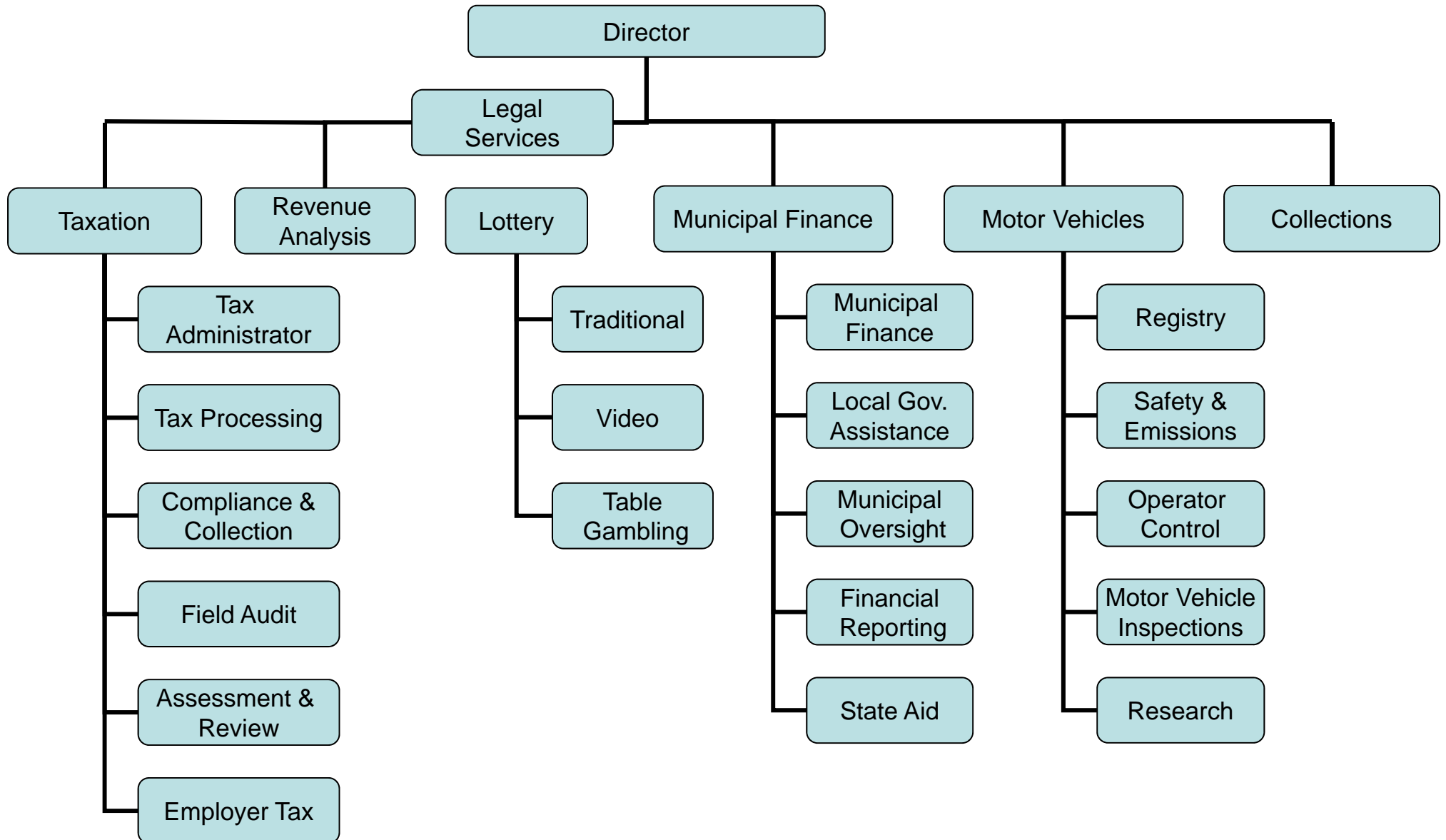
# Budget

## DEPARTMENT OF REVENUE

	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
<b>Expenditures by Program</b>					
Director of Revenue	872,227	1,285,543	1,244,266	1,997,887	2,144,460
Office of Revenue Analysis	488,662	745,009	788,009	724,135	883,408
Lottery Division	341,711,943	350,376,392	375,039,436	370,224,511	400,184,045
Municipal Finance	2,200,715	2,876,057	3,111,025	2,927,558	2,178,455
Taxation	23,004,285	25,091,478	26,263,221	25,495,309	30,395,010
Registry of Motor Vehicles	22,793,972	25,139,735	23,476,456	29,324,943	30,324,926
State Aid	67,705,327	65,861,749	95,449,305	93,993,496	115,775,457
Division of Collections	0	0	0	0	591,609
<b>Total Expenditures</b>	<b>458,777,131</b>	<b>471,375,964</b>	<b>525,371,718</b>	<b>524,687,839</b>	<b>582,477,370</b>
<b>Expenditures by Object</b>					
Salary And Benefits	46,719,779	49,653,620	50,779,564	49,704,357	56,759,285
Contract Professional Services	2,138,740	3,668,705	5,530,051	5,510,479	7,587,560
Operating Supplies And Expenses	339,156,230	347,843,640	371,758,856	373,782,101	401,043,959
Assistance And Grants	563,596	1,669,777	1,013,641	1,012,395	417,645
Aid To Local Units Of Government	67,657,254	65,989,581	95,578,344	94,112,295	115,843,053
<b>Subtotal: Operating</b>	<b>456,235,599</b>	<b>468,825,322</b>	<b>524,660,456</b>	<b>524,121,627</b>	<b>581,651,502</b>
Capital Purchases And Equipment	2,041,403	2,475,173	643,161	496,014	755,670
Operating Transfers	500,129	75,469	68,101	70,198	70,198
<b>Subtotal: Other</b>	<b>2,541,532</b>	<b>2,550,642</b>	<b>711,262</b>	<b>566,212</b>	<b>825,868</b>
<b>Total Expenditures</b>	<b>458,777,131</b>	<b>471,375,964</b>	<b>525,371,718</b>	<b>524,687,839</b>	<b>582,477,370</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	109,737,194	110,837,271	143,622,132	147,980,937	177,275,361
Federal Funds	2,740,506	3,087,713	1,567,500	1,487,293	2,109,465
Restricted Receipts	3,591,584	6,028,994	3,962,015	3,900,165	2,064,187
Operating Transfers From Other Funds	444,458	0	0	0	0
Other Funds	342,263,389	351,421,987	376,220,071	371,319,444	401,028,357
<b>Total Expenditures</b>	<b>458,777,131</b>	<b>471,375,964</b>	<b>525,371,718</b>	<b>524,687,839</b>	<b>582,477,370</b>

# The Agency

## Department of Revenue



## Performance Measures

### DEPARTMENT OF REVENUE

#### Timeliness of Municipal Reporting

The Division of Municipal Finance uses numerous tools to track the fiscal health of Rhode Island's communities. RI General Laws § 45-12-22.2 requires municipalities to submit a quarterly report on or before the 25th day of the month succeeding the end of each fiscal quarter, certifying the status of the municipal budget, including the school budget. That data is used to identify potential areas for budget shortfalls. The figures below represent the percentage of municipal quarterly reports submitted to the Division on time. [Note: Missing values appear as zeros in the measure.]

<i>Frequency: Quarterly</i>	<i>Reporting Period: State Fiscal Year</i>				
	2015	2016	2017	2018	2019
<b>Target</b>	40.00%	45.00%	60.00%	70.00%	70.00%
<b>Actual</b>	40.00%	40.00%	32.00%	0.00%	

#### DMV Transaction Wait Times

The Rhode Island Division of Motor Vehicles (DMV) tracks transaction wait times to examine operational efficiency. DMV uses the indicators to recommend process adjustments to improve customer experience. The figures below represent the average wait time for licenses and registrations at DMV's Cranston headquarters. [Note: Missing values appear as zeros in the measure.]

<i>Frequency: Annual</i>	<i>Reporting Period: State Fiscal Year</i>				
	2015	2016	2017	2018	2019
<b>Target</b>	40.00	30.00	20.00	30.00	50.00
<b>Actual</b>	40.00	39.00	59.00	0.00	

#### Tax Returns Filed Online

The figures below represent the percentage of tax returns that are filed online with the Division of Taxation versus traditional means of filing. This measure is under development, and currently includes the following categories of tax returns: bank, insurance, and other tax types/fees from legacy system, IFTA (fuel), and personal income tax. [Note: Missing values appear as zeros in the measure.]

<i>Frequency: Annual</i>	<i>Reporting Period: State Fiscal Year</i>				
	2015	2016	2017	2018	2019
<b>Target</b>	40.00%	55.00%	70.00%	75.00%	85.00%
<b>Actual</b>	40.00%	65.00%	85.00%	0.00%	

#### Problem Gambling Treatment Sessions

The Problem Gambling program, featuring a Helpline and promotion of treatment options, was established in RIGL § 42-61.2-14, enacted in 2012. The previous iteration of this measure represented the percentage of individuals surveyed in the Needs Assessment Study who were aware of the existence of the Problem Gambling Helpline and available treatment options at that time. Since that Needs Assessment was completed, the Problem Gambling Program has expanded significantly and now includes (in addition to the Helpline number) a direct line to the Problem Gambling Services of Rhode Island Treatment Program, which was specifically established as part of the expansion of the Problem Gambling Program. The figures below represent the number of treatment sessions provided each year. [Note: Missing values appear as zeros in the measure.]

<i>Frequency: Annual</i>	<i>Reporting Period: State Fiscal Year</i>				
	2015	2016	2017	2018	2019
<b>Target</b>	245.00	250.00	300.00	350.00	606.00
<b>Actual</b>	245.00	285.00	606.00	0.00	

## **Program Summary**

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**Agency: DEPARTMENT OF REVENUE**

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### **Director of Revenue**

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#### **Mission**

The mission of the Director's Office is to ensure that the Department's programs are efficiently organized and implemented utilizing the resources provided by the taxpayers through the annual appropriation process.

#### **Description**

The Director's Office oversees the overall operation of the Department. The Office of Legal Services provides legal advice and support to the Director and programs within the Department.

#### **Statutory History**

The Director of Revenue position was created upon establishment of the Department of Revenue in Article 38 sub A of the FY 2007 Appropriations Act (R.I. Gen. Laws § 42-142).

## Budget

Agency: DEPARTMENT OF REVENUE

### Director of Revenue

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Director of Revenue	872,227	1,285,543	1,244,266	1,997,887	2,144,460
<b>Total Expenditures</b>	<b>872,227</b>	<b>1,285,543</b>	<b>1,244,266</b>	<b>1,997,887</b>	<b>2,144,460</b>
<b>Expenditures by Object</b>					
Salary and benefits	855,332	1,267,727	1,226,824	1,221,697	1,358,179
Operating supplies and Expenses	15,871	16,877	15,417	774,165	784,256
<b>Subtotal: Operating</b>	<b>871,203</b>	<b>1,284,604</b>	<b>1,242,241</b>	<b>1,995,862</b>	<b>2,142,435</b>
Capital Purchases And Equipment	1,024	940	2,025	2,025	2,025
<b>Subtotal: Other</b>	<b>1,024</b>	<b>940</b>	<b>2,025</b>	<b>2,025</b>	<b>2,025</b>
<b>Total Expenditures</b>	<b>872,227</b>	<b>1,285,543</b>	<b>1,244,266</b>	<b>1,997,887</b>	<b>2,144,460</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	872,227	1,285,543	1,244,266	1,997,887	2,144,460
<b>Total Expenditures</b>	<b>872,227</b>	<b>1,285,543</b>	<b>1,244,266</b>	<b>1,997,887</b>	<b>2,144,460</b>

## **Program Summary**

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**Agency: DEPARTMENT OF REVENUE**

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### **Office of Revenue Analysis**

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#### **Mission**

The Office of Revenue Analysis' mission is to analyze, evaluate, and appraise the tax system of the State of Rhode Island. The Office makes recommendations for the revision of the State's tax system that are in the best interests of the State's economy. The Office also provides objective information and unbiased advice on the State's revenue system and the impact of proposed changes to it.

#### **Description**

The Office of Revenue Analysis is responsible for making recommendations to the State's tax system with the best interests of the economy of Rhode Island. The Office is charged with the preparation of cost benefit analyses of all tax proposals. It publishes an annual Unified Economic Development Report and a biennial Tax Expenditures Report. It prepares fiscal analysis notes on bills that pertain to revenues. It also publishes a monthly report on cash collections. In conjunction with the Budget Office, it forecasts the State's general revenues as part of the biannual Revenue Estimating Conference. Finally, a representative of the Office serves as an ex officio member of the Council of Economic Advisors.

#### **Statutory History**

The Office of Revenue Analysis and the position of Chief of Revenue Analysis were created upon establishment of the Department of Revenue in Article 38 sub A of the FY 2007 Appropriations Act (R.I. Gen. Laws § 42-142-3).



## Budget

Agency: DEPARTMENT OF REVENUE

### Office of Revenue Analysis

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Revenue Analysis	488,662	745,009	788,009	724,135	883,408
<b>Total Expenditures</b>	<b>488,662</b>	<b>745,009</b>	<b>788,009</b>	<b>724,135</b>	<b>883,408</b>
<b>Expenditures by Object</b>					
Salary and benefits	430,434	651,693	764,513	676,419	803,692
Contract Professional Services	32,500	30,000	0	0	0
Operating supplies and Expenses	23,227	62,378	22,471	46,691	78,691
<b>Subtotal: Operating</b>	<b>486,161</b>	<b>744,071</b>	<b>786,984</b>	<b>723,110</b>	<b>882,383</b>
Capital Purchases And Equipment	2,501	938	1,025	1,025	1,025
<b>Subtotal: Other</b>	<b>2,501</b>	<b>938</b>	<b>1,025</b>	<b>1,025</b>	<b>1,025</b>
<b>Total Expenditures</b>	<b>488,662</b>	<b>745,009</b>	<b>788,009</b>	<b>724,135</b>	<b>883,408</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	488,662	745,009	788,009	724,135	883,408
<b>Total Expenditures</b>	<b>488,662</b>	<b>745,009</b>	<b>788,009</b>	<b>724,135</b>	<b>883,408</b>

## Program Summary

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**Agency: DEPARTMENT OF REVENUE**

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### Lottery Division

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#### Mission

The mission of the Rhode Island Lottery is to generate revenue for the State through the responsible management and sale of entertaining lottery products. It incorporates the highest standards of security and integrity. It emphasizes customer service and maintaining the public's trust.

#### Description

The Rhode Island Lottery (The Lottery) was created under the General Laws of the State of Rhode Island in 1974 to operate lottery games to generate revenues for the state. The Lottery operates as an enterprise fund, and its financial information is included in the State Comprehensive Annual Financial Report. The Lottery promotes and sells tickets for on-line games (e.g. Daily Numbers), Keno, and instant games (e.g. scratch tickets). Tickets are sold through licensed lottery retailers. The Lottery sells Powerball®, Mega Millions, and Lucky for Life tickets. It collects all revenues and remits prize funds as required to the Multi-State Lottery Association. R.I. Gen. Laws § 42-61-15 requires that the Lottery award prizes in an amount not less than 45 percent nor more than 65 percent of the total lottery ticket revenue. For Keno, however, prize awards shall not be less than 45 percent nor more than 72 percent of the total Keno ticket revenue. Transfers are made on a monthly basis in an amount equal to estimated net income after prizes, commissions, and Lottery operating expenses. R.I. Gen. Laws § 42-61.2 authorizes the Lottery to conduct video lottery games at Twin River and Newport Grand. Video lottery terminals are electronically linked to a central computer facility at Lottery Headquarters. As of July 1, 2004, the net terminal income generated is divided among the licensed video lottery facilities, the technology providers, the host municipalities, the central computer system provider, and the State General Fund. In 2005, the General Assembly enacted legislation that allocates a percentage of the net revenue from the operation of authorized video lottery terminals at Twin River to the Narragansett Indian Tribe. R.I. Gen. Laws § 42-61.2-2.1 authorizes the Division of Lotteries to operate casino gaming, including Table Games, at Twin River. As required by the Rhode Island Constitution, Article VI Section XV and as provided, inter alia, in R.I. Gen. Laws § 42-61.2-3.1, the Division of Lotteries operates all aspects of the Table Games. Sixteen percent (16%) of net Table Game Revenue is allocated to the State Lottery Fund for administrative purposes, with the balance transferred to the State's General Fund.

#### Statutory History

R.I. Gen. Laws § 42-61 provides the general authority for the State Division of Lottery. R.I. Gen. Laws § 42-142 establishes the State Lottery as a division of the Department of Revenue.

# Budget

## Agency: DEPARTMENT OF REVENUE

### Lottery Division

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Lottery Division	341,711,943	350,376,392	375,039,436	370,224,511	400,184,045
<b>Total Expenditures</b>	<b>341,711,943</b>	<b>350,376,392</b>	<b>375,039,436</b>	<b>370,224,511</b>	<b>400,184,045</b>
<b>Expenditures by Object</b>					
Salary and benefits	8,567,987	8,803,999	8,994,446	8,694,957	11,025,226
Contract Professional Services	1,123,032	1,180,988	1,777,095	1,718,937	2,737,864
Operating supplies and Expenses	331,460,978	340,273,999	364,000,081	359,700,318	386,139,750
Assistance And Grants	115,488	117,406	105,000	105,000	110,250
<b>Subtotal: Operating</b>	<b>341,267,485</b>	<b>350,376,392</b>	<b>374,876,622</b>	<b>370,219,212</b>	<b>400,013,090</b>
Capital Purchases And Equipment	0	0	162,814	5,299	170,955
Operating Transfers	444,458	0	0	0	0
<b>Subtotal: Other</b>	<b>444,458</b>	<b>0</b>	<b>162,814</b>	<b>5,299</b>	<b>170,955</b>
<b>Total Expenditures</b>	<b>341,711,943</b>	<b>350,376,392</b>	<b>375,039,436</b>	<b>370,224,511</b>	<b>400,184,045</b>
<b>Expenditures by Source of Funds</b>					
Operating Transfers from Other Funds	444,458	0	0	0	0
Other Funds	341,267,485	350,376,392	375,039,436	370,224,511	400,184,045
<b>Total Expenditures</b>	<b>341,711,943</b>	<b>350,376,392</b>	<b>375,039,436</b>	<b>370,224,511</b>	<b>400,184,045</b>

## **Program Summary**

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**Agency: DEPARTMENT OF REVENUE**

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### **Municipal Finance**

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#### **Mission**

The Division of Municipal Finance's mission is to provide guidance to municipalities in achieving and maintaining fiscal stability. The Division promotes the highest standards in local government fiscal policy and decision-making. It encourages transparency by serving as a conduit for information and education for taxpayers, for government officials, and for the public.

#### **Description**

The Division of Municipal Finance's responsibilities include assisting municipalities and fire districts to achieve sound fiscal management through data analysis, technical assistance, training, and oversight. The Division encourages cooperation between municipalities, fire districts, and the State by distributing relevant and timely information. It provides technical assistance to distressed municipalities and fire districts. The Division maintains a databank on local finances and property values for the benefit of municipalities, fire districts, and public policy decision-makers. In addition, the Division annually calculates municipal property wealth. It calculates and distributes municipal state aid programs and advises municipalities on the statistical property valuation process. Finally, the Division provides staff assistance to the Local Pension and Other Post Employment Benefit (OPEB) Study Commission.

#### **Statutory History**

R.I. Gen. Laws § 42-142-4 establishes the Division of Municipal Finance within the Department of Revenue.

# Budget

## Agency: DEPARTMENT OF REVENUE

### Municipal Finance

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Municipal Affairs	2,200,715	2,876,057	3,111,025	2,927,558	2,178,455
<b>Total Expenditures</b>	<b>2,200,715</b>	<b>2,876,057</b>	<b>3,111,025</b>	<b>2,927,558</b>	<b>2,178,455</b>
<b>Expenditures by Object</b>					
Salary and benefits	1,653,395	1,635,725	1,906,939	1,732,984	1,652,130
Contract Professional Services	400,024	157,478	90,000	85,000	65,000
Operating supplies and Expenses	18,748	101,661	77,504	83,232	86,186
Assistance And Grants	1,720	852,422	905,018	905,018	305,018
Aid To Local Units Of Government	125,804	127,832	129,039	118,799	67,596
<b>Subtotal: Operating</b>	<b>2,199,691</b>	<b>2,875,119</b>	<b>3,108,500</b>	<b>2,925,033</b>	<b>2,175,930</b>
Capital Purchases And Equipment	1,024	939	2,525	2,525	2,525
<b>Subtotal: Other</b>	<b>1,024</b>	<b>939</b>	<b>2,525</b>	<b>2,525</b>	<b>2,525</b>
<b>Total Expenditures</b>	<b>2,200,715</b>	<b>2,876,057</b>	<b>3,111,025</b>	<b>2,927,558</b>	<b>2,178,455</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	2,200,715	2,876,057	3,111,025	2,927,558	2,178,455
<b>Total Expenditures</b>	<b>2,200,715</b>	<b>2,876,057</b>	<b>3,111,025</b>	<b>2,927,558</b>	<b>2,178,455</b>

## Program Summary

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**Agency: DEPARTMENT OF REVENUE**

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### Taxation

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#### Mission

The Division of Taxation's mission is to foster voluntary compliance with the Rhode Island tax laws and instill public confidence through professional, impartial, and ethical conduct. The Division administers and collects all taxes as required by Rhode Island law in the most efficient and cost effective manner, and assists taxpayers by helping them understand and meet their tax responsibilities.

#### Description

The Office of Tax Administrator is responsible for providing the overall guidance and direction of the Division of Taxation. The Office oversees the operations of the Division and is directly responsible for overseeing the appeals process, legislative tracking and legislative testimony, tax credit administration, forms management, website maintenance, and overseeing the voluntary disclosure program. The Tax Processing section is responsible for the management and security of all processing operations in the Division. The unit performs all activities relating to the receipt of cash payments and the processing of tax returns. It also registers taxpayers, records tax accounts, and develops and implements forms necessary to collect all the taxes administered. The Compliance and Collections section's primary function is to maintain the integrity of the Rhode Island tax system through the collection of delinquent taxes and tax returns from individuals and businesses. This unit is responsible for compliance, collection and, if necessary, enforcement actions to collect all taxes administered by the Division. The Field Audit section is responsible for conducting comprehensive tax audits of the accounting and related records of individuals, partnerships, and corporate business organizations to determine their proper tax liability under State tax laws. The Field Audit section workload is divided into specialty audits and routine audits conducted in-state and out-of-state. The Office of Assessment and Review is responsible for the review and audit of tax returns received by the Division. It is also responsible for the maintenance of the Division's rules and regulations as well as educating taxpayers. The Employer Tax section operates the State's Unemployment Insurance (UI), Temporary Disability Insurance (TDI) and Job Development Fund (JDF) tax receipt programs.

#### Statutory History

R.I. Gen. Laws § 42-142 establishes the Division of Taxation within the Department of Revenue.

# Budget

## Agency: DEPARTMENT OF REVENUE

### Taxation

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Assessment and Review	3,386,164	3,458,522	3,427,202	3,386,958	3,827,422
Compliance and Collection	3,597,458	3,818,305	3,934,371	3,656,676	4,781,579
Employer Tax	2,893,751	3,054,191	3,311,086	3,096,362	3,211,048
Field Audit	6,708,807	7,567,349	7,130,457	6,811,087	7,924,866
Tax Administrator	2,200,093	2,695,936	2,055,771	2,049,786	2,322,194
Tax Processing Division	4,218,012	4,497,175	6,404,334	6,494,440	8,327,901
<b>Total Expenditures</b>	<b>23,004,285</b>	<b>25,091,478</b>	<b>26,263,221</b>	<b>25,495,309</b>	<b>30,395,010</b>
<b>Expenditures by Object</b>					
Salary and benefits	20,648,362	21,879,614	22,929,067	22,083,427	24,361,975
Contract Professional Services	106,036	508,463	1,362,876	1,409,042	3,984,156
Operating supplies and Expenses	1,775,301	1,713,962	1,936,005	1,981,567	2,013,606
Assistance And Grants	445,103	698,845	1,273	1,273	1,273
<b>Subtotal: Operating</b>	<b>22,974,802</b>	<b>24,800,884</b>	<b>26,229,221</b>	<b>25,475,309</b>	<b>30,361,010</b>
Capital Purchases And Equipment	29,483	290,594	34,000	20,000	34,000
<b>Subtotal: Other</b>	<b>29,483</b>	<b>290,594</b>	<b>34,000</b>	<b>20,000</b>	<b>34,000</b>
<b>Total Expenditures</b>	<b>23,004,285</b>	<b>25,091,478</b>	<b>26,263,221</b>	<b>25,495,309</b>	<b>30,395,010</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	19,544,975	20,862,227	22,775,987	22,243,981	27,010,311
Federal Funds	1,632,034	2,306,503	1,361,360	1,273,006	1,912,976
Restricted Receipts	831,372	877,153	945,239	883,389	627,411
Other Funds	995,904	1,045,594	1,180,635	1,094,933	844,312
<b>Total Expenditures</b>	<b>23,004,285</b>	<b>25,091,478</b>	<b>26,263,221</b>	<b>25,495,309</b>	<b>30,395,010</b>

## **Program Summary**

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**Agency: DEPARTMENT OF REVENUE**

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### **Registry of Motor Vehicles**

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#### **Mission**

The Division of Motor Vehicles is responsible for administering and enforcing all laws pertaining to the operation and registration of motor vehicles. It is committed to providing excellent customer service with integrity and transparency.

#### **Description**

The Division of Motor Vehicles (DMV), also known as the “Registry of Motor Vehicles,” is responsible for administering and enforcing all laws pertaining to the operation and registration of motor vehicles and the issuance of licenses. It is responsible for the enforcement of all laws relating to the issuance, suspension, and revocation of motor vehicle registrations and licenses. It is responsible for administering the inspection of motor vehicles and the study of motor vehicle accidents.

#### **Statutory History**

R.I. Gen. Laws § 42-142 entitled “Department of Revenue” establishes the Registry of Motor Vehicles as a division within the Department of Revenue.



# Budget

Agency: DEPARTMENT OF REVENUE

## Registry of Motor Vehicles

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Registry of Motor Vehicles	22,764,425	25,110,939	23,446,930	29,295,417	30,295,400
Vehicle Value Commission	29,547	28,796	29,526	29,526	29,526
<b>Total Expenditures</b>	<b>22,793,972</b>	<b>25,139,735</b>	<b>23,476,456</b>	<b>29,324,943</b>	<b>30,324,926</b>
<b>Expenditures by Object</b>					
Salary and benefits	14,564,269	15,414,861	14,957,775	15,294,873	17,075,014
Contract Professional Services	477,148	1,791,776	2,300,080	2,297,500	692,000
Operating supplies and Expenses	5,688,228	5,674,762	5,707,378	11,196,128	11,941,470
Assistance And Grants	1,285	1,104	2,350	1,104	1,104
<b>Subtotal: Operating</b>	<b>20,730,930</b>	<b>22,882,504</b>	<b>22,967,583</b>	<b>28,789,605</b>	<b>29,709,588</b>
Capital Purchases And Equipment	2,007,371	2,181,763	440,772	465,140	545,140
Operating Transfers	55,671	75,469	68,101	70,198	70,198
<b>Subtotal: Other</b>	<b>2,063,042</b>	<b>2,257,231</b>	<b>508,873</b>	<b>535,338</b>	<b>615,338</b>
<b>Total Expenditures</b>	<b>22,793,972</b>	<b>25,139,735</b>	<b>23,476,456</b>	<b>29,324,943</b>	<b>30,324,926</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	19,865,801	20,121,231	21,175,553	27,015,893	29,613,674
Federal Funds	1,108,472	781,210	206,140	214,287	196,489
Restricted Receipts	1,819,699	4,237,295	2,094,763	2,094,763	514,763
<b>Total Expenditures</b>	<b>22,793,972</b>	<b>25,139,735</b>	<b>23,476,456</b>	<b>29,324,943</b>	<b>30,324,926</b>

## Program Summary

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**Agency: DEPARTMENT OF REVENUE**

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### State Aid

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#### Mission

The Division of Municipal Finance annually calculates and distributes State Aid to qualifying cities and towns. The Executive Summary and Technical Appendix include the distributions of State Aid to individual cities and towns.

#### Description

For the purposes of budget presentation, State Aid programs are separated from the Division of Municipal Finance's budget. Below is a summary of all appropriated State Aid programs. It should be noted that State Library Aid is appropriated under the Department of Administration. The Payment-in-Lieu-of-Taxes (PILOT) program reimburses communities for up to 27.0 percent of what they would have collected in property taxes from certain designated tax exempt property (subject to appropriation). The FY 2017 revised budget is funded at \$42.0 million, while the FY 2018 proposed budget is funded at \$45.2 million. Data used to determine distribution amounts is updated annually to reflect the most recent data. The Distressed Communities Relief Fund provides state assistance to municipalities with the highest property tax burdens relative to the wealth of taxpayers. Municipalities are eligible that meet the statutorily determined distressed test in three of four categories. The program is level funded at \$12.4 million in FY 2017 revised and FY 2018 proposed. Municipal Incentive Aid is a category of state assistance with the purpose of encouraging municipalities to improve the sustainability of their retirement plans and to reduce unfunded liabilities. Each municipality with a pension fund deemed critical must submit a Funding Improvement Plan under RIGL45-13.2. The FY 2018 budget continues to provide funding for the Property Valuation Statistical Update Program, which reimburses cities and towns for legislatively mandated property valuation statistical updates on a per parcel basis. Funding for FY 2017 revised is estimated at \$559,901. The projected FY 2018 funding is \$937,228 for estimated actual cost of reimbursement based on similar communities. The 1998 General Assembly enacted the Motor Vehicle Excise Tax Phase-Out legislation to phase out the excise tax on motor vehicles and trailers over an original seven year period. There have been various legislative changes to the legislation since its inception. Total funding enacted in FY 2017 revised and FY 2018 proposed to support this program is \$10.0 million.

#### Statutory History

The State Aid Program was transferred from the Department of Administration as part of the FY 2012 Budget.

## Budget

Agency: DEPARTMENT OF REVENUE

### State Aid

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
State Aid	67,705,327	65,861,749	95,449,305	93,993,496	115,775,457
<b>Total Expenditures</b>	<b>67,705,327</b>	<b>65,861,749</b>	<b>95,449,305</b>	<b>93,993,496</b>	<b>115,775,457</b>
<b>Expenditures by Object</b>					
Operating supplies and Expenses	173,877	0	0	0	0
Aid To Local Units Of Government	67,531,450	65,861,749	95,449,305	93,993,496	115,775,457
<b>Subtotal: Operating</b>	<b>67,705,327</b>	<b>65,861,749</b>	<b>95,449,305</b>	<b>93,993,496</b>	<b>115,775,457</b>
<b>Total Expenditures</b>	<b>67,705,327</b>	<b>65,861,749</b>	<b>95,449,305</b>	<b>93,993,496</b>	<b>115,775,457</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	66,764,814	64,947,203	94,527,292	93,071,483	114,853,444
Restricted Receipts	940,513	914,546	922,013	922,013	922,013
<b>Total Expenditures</b>	<b>67,705,327</b>	<b>65,861,749</b>	<b>95,449,305</b>	<b>93,993,496</b>	<b>115,775,457</b>

## **Program Summary**

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**Agency: DEPARTMENT OF REVENUE**

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### **Division of Collections**

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#### **Mission**

Improve performance of delinquent debt collection activities, providing consistent oversight of outstanding receivables, managing the revenue stream associated with the collection of delinquent accounts, and leveraging existing talent and tools.

#### **Description**

This collection unit is modeled after other states and will move collection functions into the Department of Revenue, Collections Unit. This program consolidates collection functions of delinquent debts. The Collections Unit will be staffed with new hires who have knowledge and experience with the management and collection of delinquent debts. When the debtor has not complied with a final agreement with the agency, a final administrative order/decision, and/or a final order or judgment from court the delinquent debt information will be transferred to the Collections Unit for more aggressive collection actions. The Collections Unit is expected to generate \$670,000 net revenue during FY 2019.

#### **Statutory History**

The Governor has submitted legislation pertaining to the creation of this Division in Sections 2 and 3 of Article 4 in the FY 2019 Appropriations Act.

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## Budget

**Agency: DEPARTMENT OF REVENUE**

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### Division of Collections

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Collections	0	0	0	0	591,609
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>591,609</b>
<b>Expenditures by Object</b>					
Salary and benefits	0	0	0	0	483,069
Contract Professional Services	0	0	0	0	108,540
<b>Subtotal: Operating</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>591,609</b>
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>591,609</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	0	0	0	0	591,609
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>591,609</b>