

2017

General Assembly End-of-Session Report



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To Our Members

Dear REALTOR®,

It is hard to believe the legislative session has adjourned, and we are in the midst of another great summer in the Ocean State! While the legislative session was a busy one for the Rhode Island Association of REALTORS® (RIAR), we are excited to share some good news with you. This report provides updates and summaries on the major issues RIAR has monitored and taken positions on throughout the year.

RIAR has made a commitment to use our advocacy strengths to build relationships at the Rhode Island State House. For the first time in recent years, our Association was responsible for introducing six pieces of legislation that positively impact the REALTOR® Community. Although we are disappointed that a few of our sponsored legislation didn't make it to the finish line due to the unexpected ending, we are happy to report that three out of our six bills will or have become law.

First, our legislation that [defines the term an "opinion of value"](#) to be an analysis, opinion, or conclusion prepared by a real estate broker relating to the price of identified real estate by comparison to other property currently or recently sold in the marketplace has become law. A second bill relative to the timely release of [funds held in escrow](#) became law and goes into effect on September 1, 2017. Finally, RIAR's legislation that enables cities and towns to [prorate homestead exemptions at the time of title transfer](#) in six communities has been transmitted to the desk of Governor Raimondo and is effective on August 1, 2018.

Looking ahead to finishing a strong year and crafting the 2018 legislative agenda, the Rhode Island Association of REALTORS® is poised to build on our momentum. I hope you find the General Assembly End-of-Session report to be a helpful resource to you and your business. On behalf of our Association, we thank Patricia Lenihan who chaired the RIAR Government Affairs Committee during the legislative sessions.

It is important to keep clear lines of communication open amongst our members. While government can be challenging in any political environment, we can all agree in the support for Rhode Island's REALTOR® Party. If there are issues related to government you are interested in, we want to hear from you!

Sincerely,



David A. Salvatore
Government Affairs Director

“For the first time in recent years, our Association was responsible for introducing six pieces of legislation that positively impact the Rhode Island REALTOR® Community.”



Meet the Government Affairs Committee

Purpose: The Government Affairs Committee is responsible for positioning RIAR as a community leader and opinion shaper as the organization strategically leads the state on legislative issues. Committee members advocate on behalf of REALTORS® to preserve, protect and promote private ownership, transfer, and use of real property and to advocate for a legislative and regulatory climate in which REALTORS® are able to conduct their business at the state and local levels of government.

Composition: Members of the committee were selected based on their roles as Federal Political Coordinators (FPCs), local Government Affairs Committee Chairs, legal experts, rental agents and appraisers.

<p>Patricia Lenihan Kent Washington Association of REALTORS®</p>	<p>Ted Reidy, Esq. Kent Washington Association of REALTORS®</p>
<p>Stephen Antoni Newport County Board of REALTORS®</p>	<p>Bruce Lane Greater Providence Board of REALTORS®</p>
<p>Peter Izzi Kent Washington Association of REALTORS®</p>	<p>Joseph Luca Northern Rhode Island Board of REALTORS®</p>
<p>Garrett Mancieri Northern Rhode Island Board of REALTORS®</p>	<p>Susan Martins-Phipps Greater Providence Board of REALTORS®</p>
<p>Rita Danielle Steele, Esq. Greater Providence Board of REALTORS®</p>	<p>Jamie Moore Rhode Island Commercial and Appraisal Board of REALTORS®</p>
<p>Alyce Wright Newport County Board of REALTORS®</p>	<p>David Iannuccilli Kent Washington Association of REALTORS®</p>

What’s Hot on the Hill?

The legislative session brought substantial changes to the real estate and business community in Rhode Island. In 2017, the Rhode Island General Assembly and the Governor have taken numerous steps toward improving the regulatory climate, property tax burden and overall business friendliness in our State. While RIAR legislation was a top legislative priority, the Government Affairs Committee reviewed more than fifty bills affecting real estate and home ownership. The summary in the succeeding pages of this report is a recap of many of these bills.



Legislation Submitted by the Rhode Island Association of REALTORS®

HB 5222 / SB 168 – Real Estate Brokers and Salespeople – Release of Funds Held in Escrow
STATUS: PASSED – Effective September 1, 2017

Requires a real estate broker to release customer or client funds in an escrow account as instructed by the parties to a failed real estate transaction, within (10) days of receipt of a written release that has been signed by all parties.

HB 5419/SB 384 – Rental Property – Agent for Service of Process

STATUS: NOT PASSED

Eliminates the penalty of abating rent in cases where a non-resident landlord fails to designate an agent for service of process and would clarify that the fine for violating this section is civil. RIAR proposed an amendment to the bill capping the penalty at one month rent not to exceed

month rent not to exceed \$1,000.

HB 5532/SB 299 – Real estate Brokers and Salespeople – Qualification for a Broker's License

STATUS: NOT PASSED

Removes the exception to qualification for a broker's license previously granted those with a baccalaureate in real estate. The Senate passed the bill and did not pass in the House due to the budget impasse.

HB 5570 Sub A/SB 395 Sub A – Levy and Assessment of Local Taxes – Proration of Homestead Exemption

STATUS: PASSED – Effective Date August 1, 2018

Provides for a proration of the homestead exemption in cases where title to property passes from those not entitled to claim an exemption to those who are entitled.

HB 5619 Sub A/SB 96 Sub A – Real Estate Brokers and Salespeople – Duties Regarding Establishing Property Values from the Duties of Professional Appraisers

STATUS: PASSED – Effective July 6, 2017

Defines the term an "opinion of value" to be an analysis, opinion, of conclusion prepared by a real estate broker relating to the price of identified real estate by comparison to other property currently or recently sold in the marketplace.

HB 5344 Sub A /SB 235 – Easements – Rights and Obligations

STATUS: NOT PASSED

Establishes the rights and obligations of property owners concerning the maintenance of private easements and rights-of-way.

Affordable and Fair Housing

HB 5266/SB 236 – Fair Housing Practices – Discrimination

STATUS: NOT PASSED

Prohibits discrimination in housing against those persons who have a lawful source of income including Section 8 rental vouchers.

HB 5850/SB 217 – Low and Moderate Income Housing (Mobile Homes)

STATUS: NOT PASSED

Allows mobile and manufactured homes which are a part of a mobile and manufactured home park to be counted as low and moderate income housing for purposes of compliance with the requirements of the

city or town's comprehensive land use plan.

SB 233 – Property – Immigration Status

STATUS: NOT PASSED

Prohibits a landlord from asking about the immigration status of a tenant, prospective tenant, occupant, or prospective occupant of residential rental property.

HB 5565/SB 317 – Affordable Housing – Rhode Island Resources Act of 1998–

STATUS: NOT PASSED

Requires the general assembly to appropriate a minimum of five million dollars (\$5,000,000) in capital financing for affordable housing development.

HB 5778/ SB 477 Sub A – Rhode Island Livable Home Tax Credit –

STATUS: NOT PASSED

Provides a tax credit against the state’s personal income tax for taxpayers who purchase new residences or retrofit residences which meet or are modified to meet standards that make the residences more accessible for elderly and disabled persons.

An additional \$250,000 (General Revenue, Not Medicaid) for Long Term Care Rebalancing – Home Modifications – was added to the Executive Office of Health & Human Services FY 18 budget.

HB 5849/SB 581 – Affordable Housing – Mobile and Manufactured Homes – STATUS: NOT PASSED

Qualifies mobile and manufactured homes as affordable housing when installed in mobile home parks in groups of twenty (20) or more.

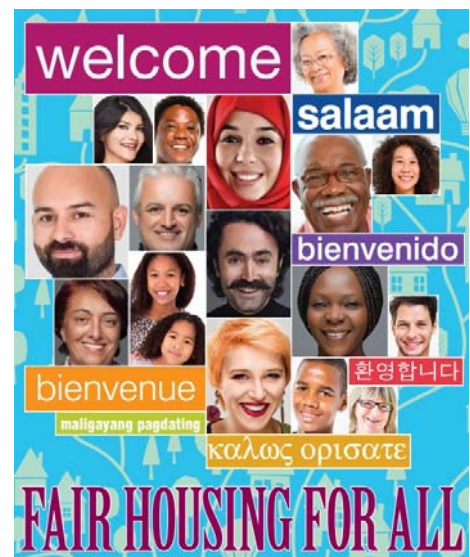
HB 5696 – Property – Rhode Island Fair Housing Practices Act –

STATUS: NOT PASSED

Makes uniform the process for filing a complaint in superior court when there has been an election to terminate proceedings before the commission after a finding of probable cause under the fair housing practices act and other anti-discrimination laws.

HB 5755/SB 414 Sub A – Affordable Housing – Real Estate Conveyance Tax – STATUS: NOT PASSED

Exempts from the real estate conveyance tax the transfer of interests in any housing development, financed in whole or in part by federal low-income housing tax credits.



Visit NAR’s website for the Field Guide to Fair Housing [here](#).

Local and State Taxes

HB 5078/SB 339 – Taxation – Short Term Rental Tax – STATUS: NOT PASSED

Changes the period of time required for occupancy for transient lodging accommodations from 30 days to 6 days.

HB 5771 – Taxation – Sales and Use Taxes – STATUS: NOT PASSED

Raises the local hotel tax rate from one percent (1%) to two and one-half percent (2.5%). The act also subjects resident dwellings to the five

percent (5%) hotel tax if the dwelling is rented for less than thirty (30) consecutive days.

HB 6316/SB 218 – Taxation – Levy and Assessment of Local Taxes –

STATUS: NOT PASSED

Increases from three (3) to six (6) years the interval of time within which a city or town must conduct an update of its last real property revaluation.

HB 5449 – Taxation – Tax Sales –

STATUS: NOT PASSED

Expedites the foreclosure procedure on vacant property, and would amend the provisions of the general laws on tax sales in order to, among other things, establish priorities of tax liens, clarify the effect of late recordings and simplify procedures in the event of a void sale.

HB 5912 – Taxation – Levy and Assessment of Local Taxes –

STATUS: NOT PASSED

Effective January 1, 2018, residential properties that are part of Section 202 or Section 811 Federal Supportive Housing Programs, or project-based Section 8 housing, may be taxed up to twelve percent (12%) of the property's previous year's gross scheduled rental income, so long as the property utilized an operating cost basis for federal reimbursement.



HB 5887 – Taxation – Levy and Assessment of Local Taxes –

STATUS: NOT PASSED

Places a cap of twenty percent (20%) on increases in consecutive revaluations of real property in all cities and towns conducting revaluations commencing December 31, 2017 and every December 31 thereafter.

SB 312 – Taxation – Tourism and Development –

STATUS: NOT PASSED

Houses, condominiums, or other residential dwelling units, regardless of the number of rooms, which are used and/or advertised for rent for occupancy would be exempt from the state sales or hotel tax.

Regulatory

HB 5620 SUB A/SB 543 SUB A – Businesses and Professional – Real Estate Appraisal Management Companies

STATUS: PASSED – Effective 180 Days After Passage

Provides for registration and oversight of appraisal management companies operating in this Rhode Island. DBR bill that is supported by the Appraisal Institute®.

HB 5216/SB 281 – General Assembly – Joint Committee of the Repealer –

STATUS: NOT PASSED

Creates the joint committee of the repealer to compile suggestions for repeal of statutes, regulations, and executive orders received from citizens, businesses, and government agencies, including, but not limited to, those that are not considered "business-friendly" and those that are archaic and out of date.

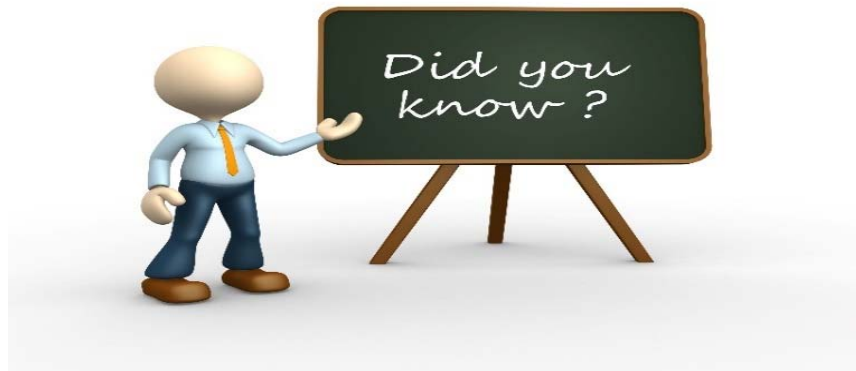
HB 5292 – Commercial Law – General Regulatory Provisions – Deceptive Trade Practices –

STATUS: NOT PASSED

Specifies certain exemptions to the state's deceptive trade practices act. The exemptions would apply to actions and entities subject to regulation by certain enumerated federal commissions and authorities and state licensed real estate brokers and salespersons.

HB 5985 – General Assembly – Joint Committee on Regulatory Oversight– STATUS: NOT PASSED

Eliminates previous sections of the general laws and require that all proposed rules and regulations promulgated by state entities be submitted to and approved by the joint committee on regulatory oversight before becoming effective.



REALTORS® serve on the Advisory Committee to Rhode Island’s Real Estate Commission. To read Rhode Island General Law § 5-20.5-12 and more information about the commission, click [here](#).

Economic Development and Zoning

HB 6172 – Agriculture – Right to Farm – STATUS: NOT PASSED
Defines secondary agricultural operations and would provide that municipalities may limit and regulate secondary agricultural use but not prohibit such operations.

HB 5476 – Towns and Cities – Zoning – Status: NOT PASSED
Establishes a separate variance process for certain properties that sustain damages as a result of a state emergency or local disaster emergency.

SB 6318 – Historic Preservation Tax Credits – STATUS: NOT PASSED
Repeals the sunset provision of chapter 33.6 of title 44 which grants tax credits to individuals or companies redeveloping historic structures.

HB 5475 Sub A/SB 481 Sub A – Towns and Cities – Subdivision of Land – STATUS: PASSED – Effective June 30, 2017
Shortens the time periods related to certifications, decision-making and recordings of decisions for major land development and major subdivision master and preliminary plans.

HB 6104 – Property – Electronic Recording – STATUS: NOT PASSED
Authorizes a city or town clerk/recorder of deeds, at the clerk's/recorder's option, to accept electronic documents for recording real property and land records and to index and store those documents. Rhode Island is a handful of states that have not passed this or similar legislation.

**HB 5893/SB 443–
Infrastructure – Rhode
Island Municipal
Infrastructure Bank –
STATUS: NOT PASSED**
Creates a municipal
infrastructure grant program

within the department of
administration (DOA) to issue
grants and provide
assistance for municipal and
other public infrastructure
projects that support job
creation and expansion,

housing development and
rehabilitation, community
development, and for the
accommodation of future
growth and redevelopment.

Health and Safety

**HB 5907 – Health and Safety
– Lead Poisoning Prevention
Act –
STATUS: NOT PASSED**
Implement procedures and
regulations to test for
elevated lead levels in water
from any drinking water
outlet at any school or early
childhood program. The act
would include measures to
reduce and eliminate lead
contamination of water.

landlord's negligence. Failure
to provide proof of insurance
would preclude a landlord
from proceeding on an
eviction action.

with the hazardous waste
management act.

**SB 377 – Residential
Property – Residential
landlord and Tenant Act –
STATUS: NOT PASSED**
Mandates that a landlord
have a general liability policy
of at least one hundred
thousand dollars (\$100,000)
in effect for those injured on
the premises due to the

**H 5936 – Health and Safety –
State Building Code –
STATUS: NOT PASSED**
Establishes a procedure
whereby residential fuel oil
tanks would be inspected
and certified by a licensed oil
burnerperson. In some
instances where the tank
shows signs of age and wear
it must be replaced with a
new safer tank and an oil
safety valve. The bill also
requires removal of old
buried oil tanks, the oil in the
tanks and the supply and
return lines in accordance

**HB 5741 – Health and Safety
– Multi-Unit Residence
Safety Act –
STATUS: NOT PASSED**
Prohibits smoking in
common areas of multi-unit
residential developments.

**HB 5522 – Health and Safety
– Multi-Unit Residence
Safety Act –
STATUS: NOT PASSED**
Permits tenants of multi-unit
residences to terminate their
lease agreements if no action
is taken to remedy the
presence of secondhand
smoke. Would apply to all
leases entered into or
renewed on or after the
effective date of passage.



Stay up-to-date with Rhode
Island's lead poisoning
prevention initiatives and
Department of Health rule change
proposals by clicking [here](#).

Legal

HB 6139 – Businesses and Professions – Translation of Legal and Financing Documents –

STATUS: NOT PASSED

Requires many consumer contracts to be translated from English to Spanish or Japanese under some circumstances.

HB 5445/SB 833 – Courts and Civil Procedure – Levy and Sale on Execution –

STATUS: NOT PASSED

Requires attachments and executions to describe real estate with particularity by using the recorded legal description, or metes and bounds, street address or assessors plat and lot number.

HB 6110/SB 813 – State Affairs and Government – Notaries Public and Justices of the Peace –

STATUS: NOT PASSED

Establishes a new application and certification process for notarial officers.

HB 5694/SB 832 – Property – Form and Effect of Conveyances –

STATUS: NOT PASSED

Validates certain conveyancing defects in various instruments executed by or affecting grantors, grantees, business entities, powers of attorney, probate fiduciaries, mortgage discharges and foreclosures or certain clerical defects.

What is the Legal Hotline?

The Legal Hotline is a service offered by the Rhode Island Association of REALTORS® to help REALTORS® reduce their risk. Members can contact a staff attorney with questions about Rhode Island real estate legal issues. The Hot Line is not intended as a substitute for obtaining legal advice from your own attorney and does not create an attorney-client relationship or privilege.

Hours: 9 a.m. – 5 p.m.
Monday through Friday

Ask questions by phone or use the web submission form.

Phone: 401-432-6945

On-Line: Search for “Legal Hotline” at

<http://www.rirealtors.org>

Eminent Domain

HB 5852 – State Affairs and Government – Eminent Domain –

STATUS: NOT PASSED

Requires approval by the general assembly to implement eminent domain proceedings for any proposed development plans where the building is larger than two thousand square feet (2,000 sq. ft.), costs more than two hundred fifty thousand dollars (\$250,000) or proposes construction of any low—or moderate-income housing on real property where the state

intends to acquire an interest therein.

HB 5928 – State Affairs and Government – Eminent Domain –

STATUS: NOT PASSED

Permits the prior owner of a parcel of land taken by eminent domain, but unused for the purpose intended, to repurchase at the acquisition price.

Rent Control

HB 6223 – Mobile and Manufactured Homes – Rent Control –

STATUS: NOT PASSED

An owner or operator of a mobile home park would be prohibited from increasing rent in an amount greater than the average annual increase of the C.P.I. for the preceding 36-month period, unless the owner or operator can demonstrate that such increase is justified under certain enumerated circumstances.

Foreclosed Property

HB 5265 – Towns and Cities – Foreclosed Property Upkeep Act –

STATUS: NOT PASSED

Establishes the "Rhode Island Foreclosed Property Upkeep Act" and would require a purchaser of foreclosed property to maintain the property by posting a bond in accordance with the Rhode Island housing and maintenance and occupancy code, and also to identify an agent in Rhode Island for service of process.

HB 5397 Sub A/SB 388 Sub A – Property – Mortgage Foreclosure –

STATUS: PASSED

Effective July 7, 2017

impose a penalty of three hundred dollars (\$300) per month up to an aggregate total of two thousand dollars (\$2,000) upon financial institutions failing to promptly record foreclosure deeds and pay outstanding taxes. Most holders of a private mortgage would be exempt from the penalty requirements.

Energy

HB 5575/SB 562 – Energy – Municipalities – Statewide Municipal Solar Permit –

STATUS: PASSED

Effective June 19, 2017

Requires the Rhode Island office of energy resources, in consultation with the building commission to promulgate rules and regulations to create a statewide solar photovoltaic permit application. The bill also creates an advisory group to create a statewide solar energy permit application.

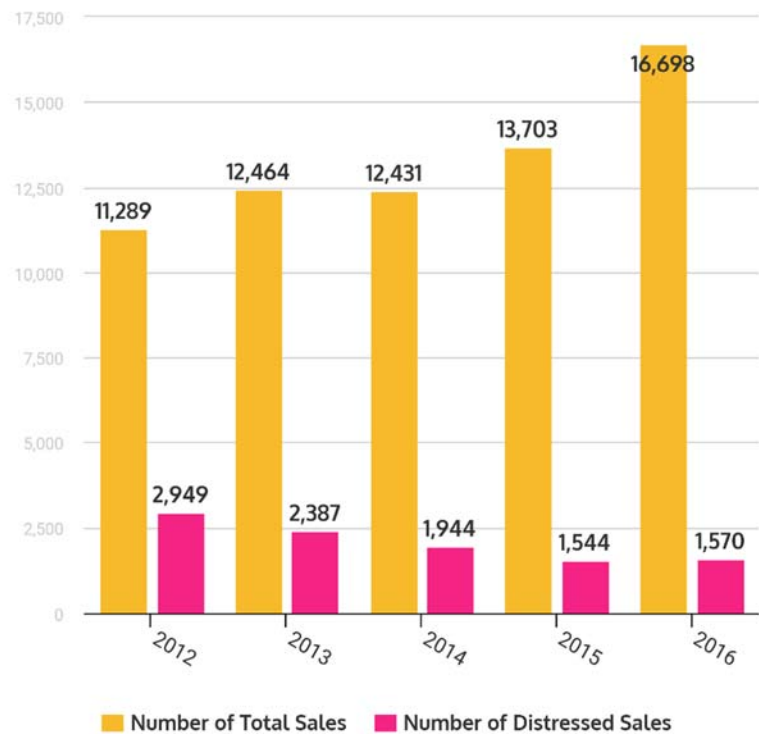
Condominiums

HB 5097 – Property – Condominium Dispute Resolution –

STATUS: NOT PASSED

Establishes an arbitration process to resolve certain condominium disputes. The bill also would require that certain information regarding arbitration be included within Rhode Island condominium declarations.

Rhode Island REO/Bank Owned/Short Sales Data



Source: State-Wide Multiple Listing Service, Inc.

Miscellaneous

HB 5606 – Legislative Commission to Study the Cost and Efficacy on Implementing a Recycling Program for All Multi-Family Residential Units – STATUS: PASSED

Commission shall report its findings and recommendations to the House of Representatives on or before February 6, 2018, and said commission shall expire on April 6, 2018.

SB 444 – State Affairs and Government – Mortgages – Student and Residential Mortgage Loans – STATUS: NOT PASSED

Authorizes the creation of a state-sponsored loan program to help pay off student debt. Programs shall be permitted only where the property is approved by the executive director of Rhode Island Housing pursuant to rules and regulations to be promulgated by the executive director. The borrower must have an existing student debt of a minimum of one thousand dollars (\$1,000) and up to a maximum of fifteen percent (15%) of the home purchase price for the borrower to pay off the outstanding student debt. Programs that are permitted shall be used for the purpose of refinancing or eliminating student debt and eligible properties and borrowers shall be approved by the commission subject to

customary underwriting standards.

HB 5152 – Motor and Other Vehicles – Miscellaneous Rules – Mobile Telephone Use –

STATUS: NOT PASSED
Permits a person who is activating, viewing or deactivating a global positioning or navigation device or a global positioning or navigation application while operating a motor vehicle.

HB 5150 – Motor and Other Vehicles – Miscellaneous Rules – Mobile Telephone Use –

STATUS: NOT PASSED
Provides for exceptions to the prohibition on texting while driving for the use of certain devices including, global positioning devices and hands-free systems integrated into the motor vehicle.

HB 5182/SB 0175 Sub A – Motor and Other Vehicles – Mobile Telephone Use – STATUS: PASSED

Effective June 1, 2018

This act would prohibit the use of a non-hands-free personal wireless communication device while operating a motor vehicle, except for public safety personnel or in an emergency situation, and would provide for monetary fines for violations. The use of a hands-free personal wireless communication device is permitted in accordance with the bill's language.



EFFECTIVE JUNE 1, 2018

The Rhode Island General Assembly approved a bill that prohibits drivers from talking on hand-held devices except in emergencies. Violators will be subject to a fine of up to \$100. The fine can be suspended for a first-time violator who provides proof of purchase of a hands-free device.

Lead Update

During the legislative session, the General Assembly deliberated a measure that aimed to make changes to the State's lead regulations. As a result, due to questions raised by RIAR and the measure's ambiguity, the budget article was not approved by the General Assembly. RIAR Staff will continue to monitor any proposed changes to the State's lead regulations and continue working with stakeholder groups across Rhode Island. The summary below is testimony submitted by RIAR's lobbyist.

HB 5175 – Health and Safety – Lead Regulation – Budget Article 22

STATUS: NOT PASSED

RIAR submitted the following testimony

- 1. Open-ended lead poisoning standard:** The article would change the definition of "Environment intervention blood lead level" from twenty micrograms per deciliter to any level that the RI Department of Health chooses without legislative oversight. The only restriction is that the level is consistent with regulations adopted by the U.S. Department of Housing and Urban Development (HUD). Since HUD allows states to adopt stricter standards than the federal government, this provision, as drafted would allow DOH to set the standard at one microgram per deciliter. RIAR recommends that Article 22 tie this level to an actual number or the number set by the Center for Disease Control.
- 2. Eliminates visual inspection by owner:** This section of the budget article eliminates the ability of property owners to conduct their own visual inspections for lead and complete an Affidavit of Visual Inspection as part of an independent clearance inspection. Article 22 would require a property owner to hire a licensed lead inspector to conduct all inspections. However, another section of the Article requires a new owner to have a visual inspection conducted after the closing. It is not clear whether the intent is to allow owners to continue to conduct a visual inspection without the use of a licensed lead inspector. RIAR recommends that this be clarified.
- 3. Insurance:** Article 22 would eliminate exemptions from the lead mitigation law for owner-occupied properties and presumptive compliance for owners with 10 or more units and eliminate affidavits of visual inspection. However, references still appear in the insurance section of Article 22.
- 4. Lead education:** Currently, real estate schools and instructors write classes for real estate licensees and submit them to the Rhode Island Department of Business Regulation for approval. Article 22 would require the Rhode Island Department of Business Regulation to create a lead class for real estate licensees. RIAR recommends clarifying whether DBR is prepared to write a lead article class or provide an outline.

Rhode Island Business Coalition

The Rhode Island Business Coalition is a group of trade associations that represents the interests of the business community across Rhode Island. Comprised of more than twenty organizations, the Coalition strives to address Rhode Island’s economic challenges while providing suggestions for making the business climate more competitive.

During the 2017 General Assembly Session, RIAR worked closely with the Coalition to support or oppose legislation that impacts Rhode Island’s real estate market and private property rights and the overall business climate in Rhode Island. From tax reform to education, to regulatory issues, RIAR signed on to more than thirty pieces of testimony submitted on behalf of the Rhode Island Business Coalition. A summary of the bills is below. Written testimony submitted on behalf of the Rhode Island business Coalition can be found in Appendix A of this report.

Rhode Island Business Coalition Members

Associated Builders and Contractors of Rhode Island	Rhode Island Association of REALTORS®
Central Rhode Island Chamber of Commerce	Rhode Island Builders Association
East Bay Chamber of Commerce	Rhode Island Hospitality Association
Greater Providence Chamber of Commerce	Rhode Island Independent Contractors Association
Greater Westerly/Pawcatuck Area	Rhode Island Lumber and Building Material Dealer Association
East Bay Chamber of Commerce	Rhode Island Manufacturers Association
East Greenwich Chamber of Commerce	Rhode Island Mortgage Bankers Association
East Providence Chamber of Commerce	Rhode Island Small Business Economic Summit
National Federation of Independent Businesses	Rhode Island Society of Certified Public Accountants
Newport County Chamber of Commerce	Smaller Business Association of New England (SBANE)
North Central Chamber of Commerce	Southern New England Defense Industry Alliance
North Kingstown Chamber of Commerce	Southern Rhode Island Chamber of Commerce
Northern Rhode Island Chamber of Commerce	Utility Contactors Association of Rhode Island
Oil Heat Institute of Rhode Island	

Legislation

HB 5021 – Taxation – Business Corporation Tax – STATUS: NOT PASSED
Exempts a corporation from the minimum corporate tax for the first three years following the date of incorporation.

HB 5029 – Taxation – Business Corporation Tax – STATUS: Not Passed
Provides that corporations with less than fifty (50) employees shall not be subject to the four hundred dollar (\$400) minimum corporate tax.

HB 5073 – Taxation – Taxation of Military Pensions STATUS: NOT PASSED
Provides that the taxation of military service pensions for purposes of the Rhode Island personal income tax would be reduced and phased out over a five (5) year period from 2017 to 2021.

HB 5074 – Veterans – Small Business Loan Program – STATUS: NOT PASSED
Creates a transitioning veterans' small business loan program through the commerce corporation.

HB 5141 – Taxation – STATUS: NOT PASSED
Establishes a surtax on the business corporation tax for publicly traded corporations

subject to SEC disclosure and reporting requirements, if corporation's ratio of compensation for its CEO to median worker is equal to or greater than 100 to 1.

HB 5170 – Military Affairs and Defense – Benefits for Active Duty – STATUS: NOT PASSED
Requires active duty military personnel receive daycare services for their dependents at state expense.

HB 5235 – Taxation – Estate and Transfer Taxes – STATUS: NOT PASSED
Provides that estates in Rhode Island be taxed at a rate equal to the maximum credit for state death taxes allowed by the federal revenue act, which exemption is set at five million, four hundred ninety thousand dollars (\$5,490,000) in 2017.

HB 5254 – Taxation – Personal Income – Military Survivor Benefits – STATUS: NOT PASSED
Exempts from income tax any survivor benefits received by a widow or widower by virtue of a deceased spouse's military service.

HB 5358 – Taxation – Estate and Transfer Taxes – Liability and Computation – STATUS: NOT PASSED
Exempts from the estate tax all property up to the value of five million dollars (\$5,000,000).

HB 5360 – Taxation – Business Corporation Tax – STATUS: NOT PASSED
Reduces the minimum corporate tax from four hundred dollars (\$400) to fifty dollars (\$50.00).

HB 5370 – Taxation – Persons with Disabilities – Property Tax Relief – STATUS: NOT PASSED
Defines as "disabled," persons receiving veterans' affairs disability benefits paid by the federal government for purposes of property tax relief.

HB 5413 Sub A as Amended /SB 290 Sub B as Amended – Labor and Labor Relations – Healthy and Safe Families and Working Act – STATUS: NOT PASSED
House bill requires employers with 18 or more employees to provide 3 paid sick days in 2018, 4 paid sick days in 2019 and 5 paid sick days thereafter. Senate bill requires employers with at least 11 employees to provide their employees with a minimum level of paid sick

and safe leave, including time to care for the employee's family members.

HB 5426 – Taxation – Personal Income Tax – STATUS: NOT PASSED

Exempts from taxation the value of any medal given and prize money earned resulting from Olympic competition.

HB 5458 – Taxation – Property Tax Relief – STATUS: NOT PASSED

Increases the income range and the maximum credit amount for the property tax relief extended to elderly and/or disabled persons.

HB 5551 As Amended/S 277 Sub A– Joint Resolution Creating a Commission to Study the Effects of Legalizing Marijuana. STATUS: PASSED

The commission shall report its findings and results to the General Assembly on or before March 1, 2018, and said commission shall expire on July 1, 2018.

HB 5593 Sub A – Labor and Labor Relations – Arbitration – Continuance of Contractual Provisions – STATUS: TRANSMITTED TO GOVERNOR

Requires that the contractual provisions contained in and an otherwise expired collective bargaining agreement with certified school teachers and municipal employees continue until a successor agreement has been reached between the parties.

HB 5655/SB 333 – Towns and Cities – Rhode Island Development Impact Fee Act

STATUS: PASSED
Effective June 27, 2017

Amends several sections of the general laws pertaining to the calculation of impact fees by municipalities in the state by requiring that needs assessments of the fees be conducted every 5 years with certain exceptions.

HB 5777 – Taxation – Motion Picture Tax Credits – STATUS: Transmitted to Governor

Removes video games from the definition of "motion picture" for the purposes of the Motion Picture Credit Tax Act, extending from 7/1/2021, to 7/1/2024.

HB 5792 – Taxation – Estate and Transfer Taxes – STATUS: NOT PASSED

Raises the credit against the Rhode Island estate tax to \$99,600 for decedents dying after December 31, 2017.

HB 5836 – Taxation – Public Electric Vehicle Charging Stations Tax Credit – STATUS: NOT PASSED

Allows a tax credit of thirty percent (30%) of the construction cost of an electric fueled vehicle charging station to a maximum of thirty thousand dollars (\$30,000).

HB 5911 – State Affairs and Government – Statewide Readiness Fund –

STATUS: NOT PASSED

Creates the statewide site readiness fund a state sponsored fund for the preparation of shared ready commercial, industrial and manufacturing property in the state.

HB 5985 – General Assembly – Joint Committee on Regulatory Oversight – STATUS: NOT PASSED

Eliminates previous sections of the general laws and require that all proposed rules and regulations promulgated by state entities be submitted to and approved by the joint committee on regulatory oversight before becoming effective.

HB 6030 – Towns and Cities – Retirement of Municipal Employees and Closed Municipal Retirement Plans STATUS: NOT PASSED

Makes it easier for locally administered municipal retirement plans to join the municipal employees' retirement system, by providing greater flexibility in funding policies than would otherwise be required.



HB 6031 – Taxation – Tax Credits for Contributions made to Scholarship Organizations –

STATUS: NOT PASSED

Increases the total aggregate amount of tax credits for a business entity not to exceed \$5,000,000 in fiscal year 2018.

HB 6082/SB 973 – State Affairs and Government – Rhode Island Health Benefit Exchange –

STATUS: NOT PASSED

Authorizes the RI health benefit exchange to seek a waiver under the Affordable Care Act, allow qualified small business owners/sole proprietors to purchase qualified health benefit plans offered by the exchange & not be forced into the individual market.

HB 6293 – Businesses and Professions – Electricians – Trades Licensing – Penalty for Violation –

STATUS: NOT PASSED

Each individual violating law governing electricians, plumbers, and other trades constitutes a separate offense for firms/corporations.

HB 6305 – Climate Change – Resilient Rhode Island Act of 2014 – Climate Change Coordinating Council –

STATUS: PASSED

Effective July 18, 2017
Directs the climate change coordinating council to study a carbon pricing program.

HB 6328 – Labor and Labor Relations – Unlawful Employment Practices –

STATUS: NOT PASSED

Prohibits an employer, employment agency, labor organization, or employee, to commit any act declared to be an unlawful employment practice; individuals would be held personally liable for such conduct.

HB 6329 – Education – Career and Technical Education –

STATUS: NOT PASSED

Provides that the department of education would develop a funding formula for school districts sending students to career and technical programs outside the district.

SB 38 – Sales and Use Taxes – Enforcement and Collection –

STATUS: NOT PASSED

Enacts a 10-year statute of limitations on tax assessment or collection action for sales/use/estate/personal income/business corp. tax.

SB 100 – Education – Career and Technical Education –

STATUS: NOT PASSED

Any student between sixteen and eighteen years of age, and in their junior or senior year in a secondary school, may participate in a career and technical education internship or teacher supervised job site training program. To qualify, the

student must attend and is interning at or through a career and technical education program.

SB 342 Sub B – Public Utilities and Carriers – Small Cell Siting Act –

STATUS: NOT PASSED

Creates the "Small Cell Siting Act", which specifies how local authorities may regulate the collocation of small wireless facilities and small wireless facility networks.

SB 365 – Health and Safety – Energize Rhode Island: Clean Energy Investment and Carbon Pricing Act of 2017

STATUS: NOT PASSED

Establishes a fee on companies that sell fossil fuels in RI and also establishes a receipt account to disburse the funds from.

SB 437 Sub A – Education – Career and Technical Education –

STATUS: NOT PASSED

Provides that the department of education would develop a funding formula for school districts sending students to career and technical programs outside the district.

Looking Ahead

Growing from last year's momentum, the Government Affairs Committee continued building new relationships with legislators, statewide elected officials and government agencies. On February 17, 2017, the Committee received a presentation from representatives at Rhode Island housing to discuss Section 8 Housing and rental vouchers. During the meeting, the Committee members were updated on a new rule proposed by the Department on Housing and Urban



Development that would significantly reduce the number of days for a unit to be inspected. While the status of the regulation is unclear at this time due to President Trump's regulatory freeze, RIAR will continue working with Rhode Inland Housing and locally administered Public Housing Authorities to expedite inspections for units applying for Section 8 rental vouchers.

A critical component of our strategic vision is establishing relationships across all levels of government. On June 1, 2017, RIAR leaders and staff visited Governor Gina Raimondo in her office at the Rhode Island State House to discuss the prospect of collaboration between our organizations. From flood insurance, to economic development to REALTOR® resources, our meeting demonstrated that working together in a cohesive manner builds relationships and drives results. Governor Raimondo welcomed the opportunity to work with our Association and members and stressed the importance of growing jobs and the local economy here in Rhode Island. Due to our strength in numbers at the state and national level, we have an opportunity to promote RIAR as a solutions-based trade association with a strategic vision at all levels of government. Our meeting with Governor Raimondo reinforced our commitment to Rhode Island's economy and the local housing market and we look forward to cultivating a relationship with the Governor and her team.

This year's legislative success speaks to our new REALTOR® Day on the Hill format, introduced last year during the legislative session. On May 11, 2017, RIAR Officers and members of our Government Affairs Committee visited key members of the General Assembly to discuss REALTOR® issues and our 2017 legislative agenda. We thank House Majority Leader K. Joseph Shekarchi; Representative Marvin Abney, House Finance Committee Chairman; Senator William Conley, Senate Finance Committee Chairman; Representative Robert Jacquard, House Corporations Committee Chairman; and Senator Frank Lombardi, Senate Committee on Rules, Government Ethics & Oversight Chairman for speaking to us and reaffirming their commitment to REALTOR® issues.

Finally, The Rhode Island Association of REALTORS® is proud of the relationships we have made with many of our state legislators and will continue to be a resource to individual districts. The REALTOR® community will continue playing a role in Rhode Island's comeback story and looks forward to spreading our message between housing and Rhode Island's economic vitality.

The RIAR Government Affairs Committee believes that our industry is well-positioned to meet this challenge in the coming months and years and will use the 2017 legislative session as a catalyst for continued growth.

Candidate Training Academy

With the 2018 election season around the corner, REALTORS® from across Rhode Island are asking how they can get involved. On August 24, 2017, RIAR is hosting a training class for REALTORS® and members of the business community who are interested in running for political office. The one-day course offers an introduction and description of how to run for elected office. Sponsored by the National Association of REALTORS®, participants will receive a valuable head start in their political journeys, as well as information on how to run successful campaigns. We hope that you will consider participating in our Candidate Training Academy on August 24, 2017! Space is limited, so interested participants may sign up [here](#).

Speakers Series

Government Affairs Committee approved the following Speaker's Series to take place at the Rhode Island Association of REALTORS® Building in Warwick, RI throughout 2017. We look forward to working with government officials and agencies at all levels and ensuring our REALTOR® Party vision is attained.

- Attorney General Peter Kilmartin
- House Majority Leader & House Majority Whip
- Senate Majority Leader & Senate Majority Whip
- Rhode Island Coalition for the Homeless
- Rhode Island Treasurer Seth Magaziner
- Rhode Island Department of Health – Office of Lead Regulation

Summary

The legislation and initiatives listed in this report are only a small indication of what is important to our constituency. It has become perfectly clear to all Rhode Islanders that the housing industry is of vital importance to our economy. State and local governments should be encouraging homeownership through legislative and regulatory reforms that promote homeownership and encourages residents to be part of the American Dream. With the help of the Rhode Island General Assembly and elected officials across the state, RIAR's Government Affairs will continue to promote homeownership and protect private property rights.

Appendix A



April 11, 2017

Honorable Robert B. Jacquard
 Chairman, House Committee on Corporations
 Rhode Island State House
 Providence, RI 02903

RE: H. 5985 – Joint Committee on Regulatory Oversight

Dear Chairman Jacquard:

The undersigned members of the Rhode Island Business Coalition wish to express our opposition to H. 5985 – Joint Committee on Regulatory Oversight. It is the obligation of the General Assembly to govern a state, not regulate the laws.

This legislation appears to allow a legislative entity to review and conduct evaluations on the operations of state government, with objectives such as recommending abolishment of government programs or entities the group feels are “inefficient,” and reviewing rules promulgated by any entity before they become effective. This legislation is of particular concern to the business community because it places authority in the political process to manage regulations through an advisory commission appointed by the General Assembly. This would severely limit timeliness that may be required to adapt to a change if a need arose. In a time when new classes of employees with new job requirements are constantly created, speed of responsiveness to making business decisions is critical.

Since 2011, Rhode Island has had one of the worst regulatory environments in the country. CNBC publishes annual rankings of the top states for business, covering areas such as the cost of doing business, infrastructure, workforce, and quality of life. The business friendliness category, graded “on the freedom [states’] legal and regulatory frameworks provide for business,” provides a measure for states’ regulatory burdens. Endangering the authority to enact regulations in a timely manner is contrary to creating a business friendly environment.

BUSINESS FRIENDLINESS INDEX						
	Annual Rank					
	2011	2012	2013	2014	2015	2016
CT	40	33	26	24	32	29
ME	32	21	27	28	39	34
MA	15	29	21	21	22	20
NH	6	2	13	13	7	1
RI	48	49	46	45	45	39
VT	34	25	31	31	42	30

SOURCE: CNBC's Top States: Overall Rankings Index

Further, many of these responsibilities fall within the Department of Administration's Office of Regulatory Reform and under RIGL 42-64.13-7, the Rhode Island Regulatory Reform Act. It seems duplicative to enact a second oversight committee and pay for additional staff.

Passing this legislation could further harm Rhode Island's ability to keep and attract businesses. With these thoughts in mind, we ask that you take no further action on H. 5985.

Respectfully,

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Frank A. Ciccone, III
Chairman, Senate Committee on Housing and Municipal Government
Rhode Island State House, Senate Lounge
Providence, RI 02903

April 26, 2017

RE: Testimony on S. 0333 – Development Impact Fees

Dear Chairman Ciccone,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of S. 0333 – Relating to Towns and Cities – Rhode Island Development Impact Fee Act.

S. 0333 would amend the Rhode Island Development Impact Fee Act to require municipalities to conduct a needs assessment every five (5) years in order to continue assessing and collecting impact fees. The bill would also require that unclaimed refunds of impact fees be forwarded to the state treasurer's office for inclusion in the unclaimed property fund, rather than transferred to the municipal general fund.

We believe these changes constitute a reasonable approach to the assessment of impact fees. The bill ensures that impact fees are assessed, collected, and utilized in a manner that is both fair and rational – it ensures that municipalities are able to afford the costs associated with providing public services to the new development, without creating a disincentive for developments that promote economic development or serve the public interest, and without placing undue burden on the developer by assessing fees that are unnecessary for the town or unrelated to the project.

Therefore, we wish to express support for this measure.

Sincerely,

National Federation of Independent Business – Bill Vernon, State Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman
Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House, Room 35
Providence, RI 02903

May 2, 2017

RE: Testimony on H. 6082 – Rhode Island Health Benefit Exchange

Dear Chairman Abney,

The undersigned members of the Rhode Island Business Coalition wish to express our support of H. 6082 – Relating to State Affairs and Government – Rhode Island Health Benefit Exchange. This legislation will allow sole proprietors and qualified business owners to seek a waiver under the Affordable Care Act to purchase health benefit plans offered by the exchange to the small group market.

Effective January 1, 2016, small business owners and sole proprietors were impacted by a change to the federal Affordable Care Act which required these business owners to purchase health insurance on the individual market rather than through the small group market. This has created a financial burden for many small businesses in Rhode Island, particularly those who employ older workers over age 55 years, where the insurance rates cannot be offset by employing younger workers, or those who utilized a broker or financial advisor to assist in understanding the insurance market since brokers are not compensated for individual market plans. In addition, when forced to purchase from the individual exchange, business owners lose certain tax advantages of offering commercial insurance. For example, there are certain tax benefits for funding health savings accounts (HSAs) or flexible savings accounts (FSAs) for employees.

This legislation requires the director of administration along with assistance from the commissioner of health insurance to seek a waiver under Section 1332 of the Patient Protection and Affordable Care Act for the purpose of allowing self-employed and sole proprietors to purchase insurance in the small group market. This is enabling legislation which will allow business owners to decide the best financial route to providing healthcare for their employees.

For the reasons stated above, we respectfully ask you to vote in favor of H. 6082.

Sincerely,

National Federation of Independent Business – Bill Vernon, State Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Erin Lynch Prata
Chairman, Senate Committee on Judiciary
Rhode Island State House, Room 313
Providence, RI 02903

May 2, 2017

RE: S. 0342 – Small Cell Citing Act

Dear Chairperson Lynch Prata,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of S. 0342 – Relating to Public Utilities and Carriers – Small Cell Citing Act. This act regulates how local authorities may regulate the colocation of small wireless facility networks.

According to the International Journal of Communication Systems, there will be an increased need for optimizing power in wireless communication as systems transition from fourth generation (4G) to fifth generation (5G) data technology for cellular networks.¹ 5G technology is expected to provide faster and more reliable internet speeds for individual users and businesses, and also expand access to public networks.

Small cell technology, also known as femtocells, are radio transceivers that will be installed on utility poles, or similar structures, and will essentially complement the existing cell phone tower structure. Small cell technology will allow wireless service providers to build out denser networks capable of supporting 5G connectivity and allow these providers to meet the demand for mobile data.

Supporting growth in our infrastructure is critical to impacting innovation and the economy. This legislation would make Rhode Island a leader in supporting the next generation of wireless capabilities.

¹ Akhil Gupta and Rakesh Kumar Jha. Power Optimization Using Optimal Small Cell Arrangements in Different Deployment Scenarios. International Journal of Communication Systems, Jan. 2017.

With these thoughts in mind, we ask you to support S. 0342.

Sincerely,

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO

Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Builders Association – John V. Marcantonio, Executive Director

Rhode Island Hospitality Association – Dale J. Venturini, President/CEO

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President

Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Hanna M. Gallo
Chairperson, Senate Committee on Education
Rhode Island State House, Room 310
Providence, RI 02903

May 3, 2017

RE: Testimony on S. 0100 – Relating to Education – Career and Technical Education

Dear Chairperson Gallo,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of S. 0100 – Relating to Education – Career and Technical Education. S. 0100 would allow students under the age of 18 to participate in internship or job site training programs subject to certain requirements including that the student currently attend a career and technical education (CTE) center, receives approval from his or her instructors or counselors, and that the internship or training program is part of the CTE center’s educational program.

At the present time, state law governing many licensed occupations bars minors under the age of 18 from being employed in those occupations unless they are registered with the state as an apprentice. However, federal law states that any individual aged 16 years or older may participate in an apprenticeship. The existing age requirement of 18 years or older prevents many high school students, particularly those enrolled in a CTE program, from gaining the valuable experience and knowledge that comes from working at a job site. It is particularly important in the building trades and other fields where classroom instruction can only go so far in preparing students.

In addition, there is anecdotal evidence that some Rhode Island students have been forced to travel to Massachusetts to participate in a training program located at a work site because of the age requirement.

Workforce quality is one of the key components of economic development and Rhode Island does not fare well in national rankings. Forbes Magazine ranked our state’s labor supply as 32nd best in its 2016 Best States for Business rankings. Similarly, CNBC ranked Rhode Island’s workforce as 23rd best in its 2016 America’s Top States for Business rankings.

If Rhode Island is to compete in the global economy, it must have a skilled and educated workforce. Our state's CTE system represents one piece of the overall workforce development system and we must do everything possible to ensure that it adequately prepares our students for the jobs of today and tomorrow.

Sincerely,

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO

Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director

Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Builders Association – John V. Marcantonio, Executive Director

Rhode Island Hospitality Association – Dale J. Venturini, President/CEO

Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President



Honorable Hanna M. Gallo
Chairperson, Senate Committee on Education
Rhode Island State House, Room 310
Providence, RI 02903

May 3, 2017

RE: Testimony on S. 0437 – Relating to Education – Career and Technical Education

Dear Chairperson Gallo,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of S. 0437 – Relating to Education – Career and Technical Education. This bill directs the department of education, in consultation with career and technical programs, to develop a formula for calculating tuition to career and technical education programs to be paid by the sending district.

The Business Coalition supports this measure because it will help provide predictability in funding for both the sending district and the receiving program. We also believe this bill will help the state develop a fair, equitable, and workable funding solution that takes into consideration the needs of both the sending district and receiving district/school. However, we do believe it will be critical to include the Career and Technical Education Board of Directors and Trustees in this discussion, as this group was created for just these purposes.

Sincerely,

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President



May 16, 2017

Honorable Marvin Abney
Chairman, House Committee on Finance
Rhode Island State House, Room 35
Providence, RI 02903

RE: H. 5911 – Statewide Readiness Fund

Dear Chairman Abney:

The undersigned members of the Rhode Island Business Coalition wish to express our support for H. 5911 – Relating to State Affairs and Government – Statewide Readiness Fund. This legislation creates a fund within the Commerce Corporation designed to promote and attract advanced industries and innovation by contributing to capital investment requirements for commercial, industrial, manufacturing, and general business zoned property, filling project financing gaps for certain real estate projects, financing land acquisition in areas determined to be beneficial for business growth, and financing public infrastructure and public facilities to enhance development.

In New England, the regional business climate takes on more importance given the close proximity to neighboring states and this legislation is a positive step toward showing Rhode Island's commitment to supporting business growth. This legislation will assist in alleviating part of the cost to doing business that the state government can most directly and quickly impact and incentivize capital investments by assisting businesses with meeting their financing gaps with regard to site preparation or costs to obtain machinery and equipment. As you may know, Rhode Island has ranked in the bottom of CNBC's annual rankings of the top states for business, including 44th in 2015 and 45th in 2016 for cost of doing business. Any support the state can give to assist with alleviating some of these costs will help spur the entrepreneurial economic growth this legislation seeks to achieve.

With these thoughts in mind, we respectfully ask the committee to support H. 5911.

Respectfully,

American Council of Engineering Companies, Rhode Island – Marcel A. Valois, Executive
Director

Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House, Room 35
Providence, RI 02903

May 23, 2017

RE: Testimony on H. 5021, 5029, 5073, 5074, 5170, 5254, 5360, 5370, 5426, 5458, 5755, 5777, 5792, 5836, 6031 – Acts Relating to Taxation

Dear Chairman Abney,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony with regard to H. 5021, 5029, 5073, 5074, 5170, 5254, 5360, 5370, 5426, 5458, 5755, 5777, 5792, 5836, and 6031 – Acts Relating to Taxation.

Each of these bills proposes to lower tax rates for individuals and businesses. While we are generally supportive of tax reductions, these changes must be subject to the availability of funding.

With these thoughts in mind, we respectfully urge the committee to take no further action on this legislation until a full fiscal analysis has been done.

Sincerely,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House, Room 35
Providence, RI 02903

May 23, 2017

RE: Testimony on H. 5141 – Relating to Taxation

Dear Chairman Abney,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony with regard to H. 5141 – Relating to Taxation. This legislation establishes a surtax on the business corporation tax for publicly traded corporations subject to SEC disclosure and reporting requirements, if the corporation's ratio of compensation for its CEO to median worker is equal to or greater than 100 to 1.

If the General Assembly were to pass H. 5141, the state would be a national outlier as no other states have passed similar legislation. This legislation would be another cost and regulatory burden on businesses. As you may know, Rhode Island is consistently ranked one of the nation's worst states for business, currently 50th in CNBC's rankings of Top States for Business 2016 and 44th in the Tax Foundation's 2017 State Business Tax Climate rankings. With regard to business friendliness, Rhode Island has ranked worst in New England for the past six years. Another mandate on employers which impacts their business decisions could further harm Rhode Island's ability to keep and attract businesses.

Further, is it the place of government to determine a threshold on how a company chooses to compensate its executive? What is the purpose of this legislation and what are the unintended consequences?

At a time when Rhode Island is trying to improve the business and economic climate in the state and attract new businesses, this legislation would move us in the wrong direction. Therefore, we respectfully urge legislators to take no further action on this legislation.

Sincerely,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Greenwich Chamber of Commerce – Stephen M. Lombardi, Executive Director
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
National Federation of Independent Business – Bill Vernon, State Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House, Room 35
Providence, RI 02903

May 23, 2017

RE: Testimony on H. 5235, 5358, 5792– Acts Relating to Taxation

Dear Chairman Abney,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony with regard to H. 5235, 5358, 5792– Acts Relating to Taxation – Estate and Transfer Taxes.

According to the Tax Foundation, “Studies routinely find that estate taxes discourage entrepreneurship and lead to large tax compliance costs.”¹ The Business Coalition encourages lowering these taxes to more comparable and competitive tax rates, however, these changes must be subject to the availability of funding.

With these thoughts in mind, we respectfully urge the committee to take no further action on this legislation until a full fiscal analysis has been done.

Sincerely,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

¹ <https://taxfoundation.org/individual-consumption-taxes/estate-and-gift-taxes/>

Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Kathleen A. Fogarty
Chairwoman, House Committee on Municipal Government
Rhode Island State House, Room 203
Providence, RI 02903

May 24, 2017

RE: Testimony on H. 5655 – Development Impact Fees

Dear Chairwoman Fogarty,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of H. 5655 – Relating to Towns and Cities – Rhode Island Development Impact Fee Act.

H. 5655 would amend the Rhode Island Development Impact Fee Act to require municipalities to conduct a needs assessment every five years in order to continue assessing and collecting impact fees. If the municipality determines it is necessary to retain impact fees for a period longer than eight years, the legislation also requires the municipality to identify, in writing, the compelling reasons for continuing to assess those fees. Furthermore, the bill reduces the maximum length of time a municipality is permitted to assess impact fees from twelve years to ten years, and requires that unclaimed refunds of impact fees be forwarded to the state treasurer's office for inclusion in the unclaimed property fund, rather than transferred to the municipal general fund.

We believe these changes constitute a reasonable approach to the assessment of impact fees. The bill ensures that impact fees are assessed, collected, and utilized in a manner that is both fair and rational – it ensures that municipalities are able to afford the costs associated with providing public services to the new development, without creating a disincentive for developments that promote economic development or serve the public interest, and without placing undue burden on the developer by assessing fees that are unnecessary for the town or unrelated to the project.

Therefore, we wish to express support for this measure.

Sincerely,

The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Dominick Ruggerio
President of the Rhode Island Senate
Providence, RI 02903

Honorable Nicholas A. Mattiello
Speaker of the Rhode Island House of Representatives
Providence, RI 02903

June 2, 2017

RE: Rhode Island Small Business Development Center

Dear Mr. Senate President and Mr. Speaker:

As the discussion over the FY 2018 budget is nearing its conclusion, the Rhode Island Business Coalition wants to add its voice in support of increasing funding for the Rhode Island Small Business Development Center (RISBDC) to \$350,000. There are a number of strong reasons why this makes sense. In the recently passed federal budget, there was a significant increase in funding for the SBDCs on a national basis. This budget will mean that federal funds will increase for the RISBDC from \$650,000 to \$694,444. The funding request of \$350,000 will slightly more than cover the 50.0 percent cash match requirements of the Small Business Administration. Without it, it is entirely possible that the RISBDC will not be able to take advantage of this additional funding.

The RISBDC works across all industry sectors providing business assistance and guidance. This is all done on a no-fee and confidential basis. With the increasing emphasis on the manufacturing sector, it should be noted that the RISBDC works with numerous small manufacturers. This assistance provides these manufacturers with the tools necessary to grow their businesses and enables them to more readily take advantage of other organizations and programs in the state that target manufacturers. In fact, in 2016, the RISBDC worked with more manufacturers (30) than any other sector, other than retailing (34), among the existing businesses it helped. Because the RISBDC works with all industry sectors, its clients impact many sectors of the Rhode Island economy.

Since the organization came to the University of Rhode Island in 2014, the RISBDC has made strong, positive impacts on the small businesses with which it works. This became more evident in 2016 when the Center worked with 403 clients. These clients were split almost evenly between existing and prospective business owners. RISBDC clients reported capital formation of approximately \$4.6 million. Every impact like this has a positive effect on the Rhode Island economy. Additionally, in 2016, 39.5% of RISBDC clients designated themselves as some type of minority. Because of this, the RISBDC is also having a positive impact on entrepreneurship across many diverse communities.

As with most budget cycles, you are faced with making a number of difficult choices in relation to funding priorities. Increased funding for a proven program like the RISBDC is one that should be an easy decision. It is important to note that based on national studies of the SBDC program, it is truly an investment as it returns more back to both federal and state sources than it costs. Based on the most recent surveys, the SBDC returns over \$3.00 to a state through increased employment and business taxes for every dollar invested in it. The additional \$100,000 investment in the RISBDC would return in excess of \$300,000 to the state. Total funding to the RISBDC of \$350,000 would return just under \$1.1 million in additional tax revenues.

Over the past two years, the RISBDC has made great strides and is playing a prominent role in impacting the state's small business economy. We urge you to act positively on this request. It is a win-win scenario for Rhode Island and its small business/entrepreneurial community.

Sincerely,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
East Bay Chamber of Commerce – Suzanne Munroe, Chairman
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, IOM, President/CEO
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee

C: Honorable William Conley, Senate Finance Committee Chair
Honorable Marvin Abney, House Finance Committee Chair



Honorable Cale P. Keable
Chairman, House Committee on Judiciary
Rhode Island State House, Room 101
Providence, RI 02903

June 6, 2017

RE: H. 5551 – Joint Resolution

Dear Chairman Keable:

The undersigned members of the Rhode Island Business Coalition wish to express our support for H. 5551 – Creating a Special Legislative Commission to Study the Impacts of Legalizing Marijuana. We believe that this is a complex issue that will have far reaching impacts on businesses in Rhode Island and warrants the scrutiny this commission would be required to provide.

However, we believe you would have a more complete commission with stronger representation from the business community. Legalizing marijuana will have varying impacts on all businesses. One representative from a chamber of commerce should not have sole responsibility to represent the interests of all businesses, those housed in Rhode Island and foreign businesses operating in the state, large and small employers, as well as industry specific interests, for example.

We feel that H. 5551 is the appropriate answer to the issue at hand and respectfully request a more significant presence of representation from the business community.

Respectfully,

East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee
Southern Rhode Island Chamber of Commerce – Elizabeth Berman, Executive Director



Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee
Rhode Island State House, Room 211
Providence, RI 02903

June 6, 2017

RE: S. 0038 – Sales and Use Taxes – Enforcement and Collection

Dear Chairman Conley,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of S. 0038 – Relating to Taxation – Personal Income Tax. S. 0038 provides for a ten year period in which the tax administrator would have to commence a collection action. Fundamentally, this legislation provides a ten year statute of limitations for the State of Rhode Island to collect outstanding sales, use, estate, business corporations, and personal income tax liabilities

Rhode Island is one of only eight states that have no statute of limitations. Twelve states and the federal government have ten year statutes. Enacting the ten year statute of limitations would put Rhode Island in line with the ten-year time period that the federal government believes is an appropriate amount of time to review, analyze, and resolve taxpayer-related issues.

At a time when leaders are working to improve the business and economic climate in the state and make Rhode Island a more attractive place to live and do business, this legislation would move us in the right direction. Therefore, the Rhode Island Business Coalition respectfully urges legislators to support this legislation.

Sincerely,

East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee
Southern Rhode Island Chamber of Commerce – Elizabeth Berman, Executive Director



Honorable Joseph M. McNamara
Chairman, House Committee on Health, Education and Welfare
Rhode Island State House, Room 101
Providence, RI 02903

June 7, 2017

RE: Testimony on H. 6203 – Relating to Education – The Education Equity and Property Tax Relief Act

Dear Chairman McNamara,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in opposition to H. 6203 – Relating to Education – The Education Equity and Property Tax Relief Act. This legislation would allow the Cumberland Town Council to establish limits on the number of students from the Cumberland school district that may enroll in any charter public school, Davies and the Met Center.

First, the Business Coalition has concerns regarding allowing one community special authority to limit the number of local students allowed to enroll in charter or state-run schools. What is the logic behind granting this special authority to Cumberland? Will it set a precedent that other communities will soon follow? What impact would that have on charter schools, Davies and the Met moving forward? What impact would it have on the students who are denied entry to charters, Davies and/or the Met due to these limits?

Second, while we understand concerns about the impact of charter schools on funding for traditional public schools, this issue was recently addressed by the General Assembly. During the 2016 legislative session, the General Assembly adopted legislation that substantially altered Rhode Island's formula for calculating and distributing state education aid, including changes related to charter schools. Specifically, the new funding formula includes reductions in the tuition sending districts must pay to charter schools, as well as an increase in state aid for districts with greater than 5.0 percent enrollment in charter schools. This new funding formula has been in place for less than one academic year. While additional reforms may be necessary down the line, the Business Coalition believes the General Assembly should refrain from adopting additional changes until enough time has passed to allow the state, districts, and charter schools to evaluate the impact of the new funding formula.

In light of these concerns, we respectfully ask the committee to take no further action on this legislation.

(over)

Sincerely,

The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman
Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Marvin L. Abney
Chairman, House Finance Committee
Rhode Island State House, Room 35
Providence, RI 02903

June 14, 2017

RE: H. 6030 – Relating to Cities and Towns – Retirement of Municipal Employees and Closed Municipal Retirement Plans

Dear Chairman Abney,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of H. 6030 – Relating to Cities and Towns – Retirement of Municipal Employees and Closed Municipal Retirement Plans.

This legislation would provide municipalities with independently administered pension systems a more flexible pathway to enter the state’s Municipal Employees’ Retirement System (MERS). The MERS system has already helped more than 100 municipal pension plans in Rhode Island reach healthy status. Among the 116 plans in MERS, the average funding level is 87 percent. By contrast, 15 of the state’s 34 local plans are less than 50 percent funded, and 10 are less than 30 percent funded. MERS also offers more professional management, lower administrative costs due to economies of scale, and a sustainable benefit structure. Furthermore, according to a 2013 WPRI study, state investment performance is stronger than more than 90 percent of locally administered plans.

While 116 municipal pension plans have already joined the MERS system, current rules make it difficult for some plans to opt in. Current law requires plans that enter the system to immediately conform to existing MERS policies, such as the length of the amortization period. Because of this requirement, many plans would see their costs rise significantly if they were to enter MERS. Cities and towns that are unable to access the benefits of MERS are forced to manage their own investment and administer their own program, often at great expense.

These struggling municipal pension plans, in turn, put significant pressure on city budgets, and ultimately place huge costs on local businesses, homeowners, and residents. Unhealthy municipal pension plans also put the state’s business climate at risk. Employers are cautious about locating in municipalities that have struggling pension plans. Too often, in Rhode Island and around the country, unhealthy municipal pension plans have led to financial crises that have had a chilling

effect on business growth and hiring. Businesses cannot thrive in a climate of uncertainty, and the future of some of these municipal pension plans is tenuous.

H. 6030 is designed to address this problem by providing municipal pension plans with a more flexible pathway to enter MERS if they choose to do so. This is done by offering longer amortization periods and allowing certain parts of the benefit structure to conform to MERS benefits gradually instead of immediately, provided they still meet acceptable actuarial guidelines, and benefits are not more generous than other MERS plans. By providing some relief on the high up-front costs to entering the MERS system, this bill can help put more municipal pension plans on a sustainable course. Healthier municipal pension systems, in turn, will mean lower costs for taxpayers, stronger retirement security for employees, and a more stable, predictable environment for employers to hire and expand.

With these thoughts in mind, the Rhode Island Business Coalition urges the committee to support this legislation.

Sincerely,

American Council of Engineering Companies, Rhode Island – Marcel A. Valois, Executive Director

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO

The Energy Council of Rhode Island – Doug Gablinske, Executive Director

Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO

Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director

Rhode Island Association of REALTORS® – Philip Tedesco, CEO

Rhode Island Builders Association – John V. Marcantonio, Executive Director

Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Association of Mortgage Bankers – Dean Harrington, President

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President

Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Robert E. Craven
Chairman, House Committee on Labor
Rhode Island State House, Room 205
Providence, RI 02903

June 15, 2017

RE: Testimony on H. 6293 – Trades Licensing – Penalty for Violations

Dear Chairman Craven,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in opposition to H. 6293 – Relating to Businesses and Professions – Electricians – Trades Licensing – Penalty for Violations. This legislation would provide that each individual violating the laws governing electricians, mechanical trades, plumbers, and telecommunications workers constitutes a separate offense to any person, firm, contractor, or corporation under the chapters of law governing these trades.

It is unclear why the penalties currently in place are inadequate. What is the rationale for this legislation? Why are just these trades selected? Has there been a noticeable increase in violations in these industries? Are those firms found in violation of the law paying the fines and continuing to violate the law?

Until these questions are answered, we respectfully ask the committee to take no further action on this legislation.

Sincerely,

Associated Builders and Contractors of Rhode Island – Philip Freshman, Chairman
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
National Federation of Independent Business – Christopher Carlozzi, State Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Ocean Community Chamber of Commerce – Lisa Konicki, Executive Director
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Association of Mortgage Bankers – Dean Harrington, President
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman



June 20, 2017

Honorable Erin Lynch Prata
Chairman, Senate Committee on Judiciary
Rhode Island State House, Room 313
Providence, RI 02903

RE: S. 0277 – Joint Resolution

Dear Chairperson Lynch Prata:

The undersigned members of the Rhode Island Business Coalition wish to express our support for S. 0277 – Creating a Special Legislative Commission to Study the Impacts of Legalizing Marijuana. We believe that this is a complex issue that will have far reaching impacts on businesses in Rhode Island and warrants the scrutiny this commission would be required to provide.

However, we believe you would have a more complete commission with stronger representation from the business community. Legalizing marijuana will have varying impacts on all businesses. One representative from a chamber of commerce should not have sole responsibility to represent the interests of all businesses, those housed in Rhode Island and foreign businesses operating in the state, large and small employers, as well as industry specific interests, for example.

We feel that S. 0277 is the appropriate answer to the issue at hand and respectfully request a more significant presence of representation from the business community.

Respectfully,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
North Kingstown Chamber of Commerce – Kristin Urbach, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee

Southern Rhode Island Chamber of Commerce – Elizabeth Berman, Executive Director



Honorable Robert E. Craven, Sr.
Chairman, House Labor Committee
Rhode Island State House, Room 203
Providence, RI 02903

June 21, 2017

RE: Testimony on H. 6328 – Unlawful Employment Practices

Dear Chairman Craven,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in opposition to H. 6328 – Relating to Labor and Labor Relations – Unlawful Employment Practices. This legislation will allow individuals to be held personally liable for unlawful employment practices of the employer they work for.

What are the ramifications of this legislation? How will it be proven that the employee had any knowledge or control over their company's employment practices? What employers does this apply to – both public employers and private? What protections are employees afforded? Who is responsible to pay for the defense? What type of work environment will this legislation create where employees put their own assets at risk, merely by being employed?

Until these questions are answered, we ask you to take no further action on H. 6328.

Sincerely,

The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Joseph M. McNamara
Chairman, House Committee on Health, Education & Welfare
Rhode Island State House, Room 135
Providence, RI 02903

June 21, 2017

RE: Testimony on H. 6329 – Relating to Education – Career and Technical Education

Dear Chairman McNamara,

We, the undersigned members of the Rhode Island Business Coalition, would like to provide testimony in support of H. 6329 – Relating to Education – Career and Technical Education. This bill directs the department of education, in consultation with career and technical programs, to develop a formula for calculating tuition to career and technical education programs to be paid by the sending district.

The Business Coalition supports this measure because it will help provide predictability in funding for both the sending district and the receiving program. We also believe this bill will help the state develop a fair, equitable, and workable funding solution that takes into consideration the needs of both the sending district and receiving district/school. However, we do believe it will be critical to include the Career and Technical Education Board of Directors and Trustees in this discussion, as this group was created for just these purposes.

Sincerely,

The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Lumber and Building Materials Dealers Association – Ashley E. Ranslow,
Manager of Government Affairs

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Joshua Miller
Chairman, Senate Health and Human Services Committee
Rhode Island State House, Senate Lounge
Providence, RI 02903

June 28, 2017

RE: Testimony on S. 0973 – Rhode Island Health Benefit Exchange

Dear Chairman Miller,

The undersigned members of the Rhode Island Business Coalition wish to express our support of S. 0973 – Relating to State Affairs and Government – Rhode Island Health Benefit Exchange. This legislation, along with the companion bill H. 6082, will allow sole proprietors and qualified business owners to seek a waiver under the Affordable Care Act to purchase health benefit plans offered by the exchange to the small group market.

Effective January 1, 2016, small business owners and sole proprietors were impacted by a change to the federal Affordable Care Act which required these business owners to purchase health insurance on the individual market rather than through the small group market. This has created a financial burden for many small businesses in Rhode Island, particularly those who employ older workers over age 55 years, where the insurance rates cannot be offset by employing younger workers, or those who utilized a broker or financial advisor to assist in understanding the insurance market since brokers are not compensated for individual market plans. In addition, when forced to purchase from the individual exchange, business owners lose certain tax advantages of offering commercial insurance. For example, there are certain tax benefits for funding health savings accounts (HSAs) or flexible savings accounts (FSAs) for employees.

This legislation requires the director of administration along with assistance from the commissioner of health insurance to seek a waiver under Section 1332 of the Patient Protection and Affordable Care Act for the purpose of allowing self-employed and sole proprietors to purchase insurance in the small group market. This is enabling legislation which will allow business owners to decide the best financial route to providing healthcare for their employees.

For the reasons stated above, we respectfully ask you to vote in favor of S. 0973 and H. 6082 before you today.

Sincerely,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Greenwich Chamber of Commerce – Stephen M. Lombardi, Executive Director
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
The Energy Council of Rhode Island – Doug Gablinske, Executive Director
North Kingstown Chamber of Commerce – Kristin Urbach, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Oil Heat Institute of Rhode Island – Roberta Fagan, Executive Director
Rhode Island Business Group on Health – Donald Nokes, President
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman
Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee



Honorable Paul W. Fogarty
Chairman, Senate Labor Committee
Rhode Island State House, Room 212
Providence, RI 02903

June 30, 2017

RE: S. 0285 and H. 5593 – Continuance of Contractual Provisions

Dear Chairman Fogarty,

The Rhode Island Business Coalition would like to express our opposition to S. 0285 and H. 5593 – Relating to Labor and Labor Relations – Arbitration – Continuance of Contractual Provisions. These bills would require existing contract language in the collective bargaining agreements with certified school teachers and municipal employees to remain enforceable until a new bargaining agreement has been reached.

The requirement to keep all conditions of the current contract in place will tip the balance of power to one side, labor, at the expense of the public. With personnel costs taking up the bulk of municipal budgets, the ability to modify a municipality's cost structure would be severely limited. A substantial amount of municipal budgets would be held up by contract continuance without any modifications and without consideration of the fiscal needs or conditions of the community.

Any financial strain on municipalities could result in an increase in property tax rates on both businesses and residents. Unlike the state budget, municipalities do not have diverse revenue streams to support government administration. Therefore, when revenue needs to be raised, it primarily comes from property tax increases. For most Rhode Island municipalities, property taxes represent 51.0 percent of revenue available to provide government services, more than double the U.S. average of 24.0 percent.¹

¹ MacFarland, C. & Hoene, C., Cities and State Fiscal Structure, http://www.nlc.org/sites/default/files/2017-02/NLC_CSFS_Report_WEB.PDF

Property tax burdens in Rhode Island are already among the highest in the nation. Rhode Island's FY 2014 property tax collections of \$48.04 per \$1,000 of personal income were 52.5 percent higher than the national average of \$31.51. Property taxes as a share of personal income increased by 4.9 percent between FY 2004 and FY 2014, compared to a decrease of 0.4 percent nationally.² According to the Tax Foundation's 2017 State Business Tax Climate Index, property tax collections are the 7th highest in the nation, at \$2,282 per capita. Approving the legislation being considered today would only exasperate this problem by further restricting the ability of management to control labor costs and avoid tax increases.

With the increasing cost of pension obligations, the ability to control spending on services and administrative costs becomes most crucial. Passage of this legislation is contradictory to controlling the cost of local government. With these thoughts in mind, the Rhode Island Business Coalition respectfully asks that the committee take no action on this legislation.

Thank you,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO

Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director

Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO

Rhode Island Hospitality Association – Dale J. Venturini, President/CEO

Rhode Island Manufacturers Association – David M. Chenevert, Executive Director

Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President

Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph
Coppola, Chair SBANE RI Government Affairs Committee

Southern Rhode Island Chamber of Commerce – Elizabeth Berman, Executive Director

² RIPEC, 2017. How Rhode Island Revenues Compare, 2016 Edition.



Honorable Gina M. Raimondo
Governor, State of Rhode Island
Office of the Governor
Rhode Island State House
82 Smith Street
Providence, RI 02903

July 14, 2017

RE: House Bill 5593 Sub A – Continuance of Contractual Provisions

Dear Governor Raimondo,

We, the undersigned members of the Rhode Island Business Coalition, respectfully request that you veto H. 5593 Sub A – Relating to Labor and Labor Relations – Arbitration – Continuance of Contractual Provisions. This bill would require existing contract language in the collective bargaining agreements with certified school teachers and municipal employees (excluding provisions that limit layoffs) to remain enforceable until a new bargaining agreement has been reached.

The requirement to keep all conditions of the current contract in place will tip the balance of power to one side, labor, at the expense of the public. Importantly, contractual provisions, such as contract continuance, are and should remain negotiable in the collective bargaining process. What is the rationale for stating in law a procedure that both parties already have an ability to negotiate? Furthermore, with personnel costs taking up the bulk of municipal budgets, the ability to modify a municipality's cost structure would be severely limited. Without the ability to make any changes to expired contracts, a substantial portion of the budget would be remain outside the control of the municipality, regardless of the fiscal challenges or conditions facing the community. While the ability to lay off employees may provide some degree of flexibility, relying on layoffs alone may be insufficient in the face of serious fiscal strain, and may produce a number of negative consequences, including job losses for those laid off and drastic cuts in critical services for constituents and students.

Any financial strain on municipalities could result in an increase in property tax rates on both businesses and residents. Unlike the state budget, municipalities do not have diverse revenue streams to support government administration. Therefore, when revenue needs to be raised, it

primarily comes from property tax increases. For most Rhode Island municipalities, property taxes represent 51.0 percent of revenue available to provide government services, more than double the U.S. average of 24.0 percent.¹

Property tax burdens in Rhode Island are already among the highest in the nation. Rhode Island's FY 2014 property tax collections of \$48.04 per \$1,000 of personal income were 52.5 percent higher than the national average of \$31.51. Property taxes as a share of personal income increased by 4.9 percent between FY 2004 and FY 2014, compared to a decrease of 0.4 percent nationally.² According to the Tax Foundation's 2017 State Business Tax Climate Index, property tax collections are the 7th highest in the nation, at \$2,282 per capita. Approving this legislation would only exasperate this problem by further restricting the ability of management to control labor costs and avoid tax increases. Passage of this legislation is contradictory to controlling the cost of local government.

As you know, with the increasing cost of pension obligations, the ability to control spending on services and administrative costs becomes most crucial. In 2011, your *Truth in Numbers* report published a statement noting: "Rhode Island's pension plans provide neither retirement security nor financial sustainability and are in dire need of re-design." Subsequently, you championed pension reform successfully and this legislation would be attacking your good efforts. With these thoughts in mind, the Rhode Island Business Coalition respectfully asks that you veto this legislation.

Thank you,

Central Rhode Island Chamber of Commerce – Lauren E.I. Slocum, President/CEO
East Providence Area Chamber of Commerce – Laura A. McNamara, Executive Director
The Energy Council of Rhode Island – Doug Gablinske, Executive Director
Newport County Chamber of Commerce – Erin Donovan-Boyle, Executive Director
North Kingstown Chamber of Commerce – Kristin Urbach, Executive Director
Northern Rhode Island Chamber of Commerce – John C. Gregory, President/CEO
Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Builders Association – John V. Marcantonio, Executive Director
Rhode Island Hospitality Association – Dale J. Venturini, President/CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Gary Ezovski, Regulations Committee
Chairman

¹ MacFarland, C. & Hoene, C., Cities and State Fiscal Structure, http://www.nlc.org/sites/default/files/2017-02/NLC_CSFS_Report_WEB.PDF

² RIPEC, 2017. How Rhode Island Revenues Compare, 2016 Edition.

Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee
Chairman

Rhode Island Small Business Economic Summit – William McCourt, Economic Development
Committee Vice-Chairman

Rhode Island Society of Certified Public Accountants – Robert A. Mancini, President
Smaller Business Association of New England (SBANE) – Robin L. Main, Chair; Ralph

Coppola, Chair SBANE RI Government Affairs Committee

Southern Rhode Island Chamber of Commerce – Elizabeth Berman, Executive Director

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