Rhode Island Legislative Update

APRIL 2019

State News:
The May Revenue Estimating Conference started April 26 and will end on May 10. There will then be the adoption of a final agreement on the revenue available for the FY2020 budget. The conference panel is comprised of budget analysts from the Governor’s office, the House budget office, and the House and Senate budget offices. Based on these series of meeting, we will know how much revenue the state will need and will determine the final status of many of the budget articles that have already been heard such as the proposed expansion of the sales tax to include commercial building services (extermination services, landscaping and maintenance, carpet and upholstery cleans and janitorial service and other items. The proposed Employer Medicaid tax assessment on larger companies of up to $1500 per employee who is on the state Medicaid service program.

The Senate has passed S-510 Sub A (an amended version of S-510 which called for increasing the fines for misclassifying employees to $2000 per employee and requiring the Department of Labor and Training to suspend the ability of companies to operate in Rhode Island if a company continues to misclassify employees three times within a two year period. The Senate passed the Sub A bill that leaves the fine where it is today – at $400 per employee misclassified. If the employer fails to pay the penalty as required, the license would be revoked until the fine is paid. If an employer is found by the DLT to have violated the misclassification law three times within a two year period – each violation includes all of the employees determined to be misclassified at one time – then the license to operate in Rhode Island must be suspended for three years. Finally, the civil penalty for misclassification of employees changes from “up to $5000 for subsequent offenses” to “not less than $10,000 for subsequent offenses.”

The Senate has passed two workplace bills. S-90, known as the Workplace Bullying bill, was passed on the Senate floor 32-6. The bill makes employers vicariously liable for any unlawful employment practice committed by their employee. Employers are responsible for preventing and promptly correcting any bullying in the workplace which includes both physical and psychological bullying. The definition of harm is vague, leaving employers open to lawsuits.
S.330 which requires employers of 4 or more employees to conduct sexual harassment programs for new employees within 1 month of the date of hire and all employees by September 1, 2019, also passed the Senate floor 31-7.

On a positive note, both the House and Senate appears poised to pass legislation that allows a contractor to hire a qualified third-party assistant or state inspector to perform an inspection if a municipal building official fails to perform an inspection within forty-eight (48) hours after notification of the need for the inspection; and the contractor notifies the city/town of its intent to hire someone to complete the inspection. The contractor would pay for the third party inspection, while the city or town would pay for state inspector services. They are supported by the contracting industry.

Events:
RILBMDA’s annual lobby day will be held on May 22 at the R.I. State House, where the industry will be tackling a number of labor related bills. Lobby day will be followed by the RILBMDA monthly dinner meeting. If you are interested in attending, please contact Jamie McCormick at jmccormick@nrla.org.

Questions?
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