State News:
The 2019 General Assembly Session concluded on Saturday, June 23, 2019. Prior to its conclusion, the General Assembly passed a $9.9 billion state budget (H-5151 Sub A) for the fiscal year June 1, 2019 – June 30, 2020. The enacted Budget was considerably better than the original budget proposed by Governor Gina Raimondo. Both the House and Senate heard from the business community and because of this several obnoxious and costly items were deleted.

Many other issues were debated but on most accounts business was able to prevail. This includes other RILBMDA 2019 priority legislation such as:

- Global Warming Solutions Act which proposed to establish a minimum fee on all carbon emitted in Rhode Island; something that would have substantially increased already high energy costs. The proposed carbon tax program did not pass. However, Governor Raimondo on July 8, 2019 issued an Executive Order titled “Heating Sector Transformation to Ensure Reliability and Protect Against Climate Control” that directs the Division of Public Utilities and Carriers (DPUC) and the Office of Energy Resources (OER) to lead a Heating Sector Transformation with a goal to reduce emissions from the heating sector and still be affordable with support from the Executive Office of Commerce. Their report is due on or about April 22, 2020. Both governmental and non-governmental partners (not yet named) are supposed to be included in the development of its work products and recommendations. The process will include the Executive Climate Change Coordinating Council (EC4).

Other business opposed legislation not enacted includes:
- Pay equity (Association opposed priority)
- Plastic bag/plastic straw
- Treble damage right to action against auto insurers. If enacted would have increased our state’s already high auto insurance rates
- Deceptive trade practices expansion was defeated. Would have permitted Attorney General to file actions against a business for committing deceptive trade practices – not well defined in the legislation and covered both regulated and non-regulated businesses including retail.

Other bills enacted and supported by business include the following:
- Remote seller tax
- 10 year statute of limitations on state tax debts
- The budget included provisions for a bill that offers a workaround for pass-through business owners related to the federal state and local tax exemption cap, allowing businesses to pay the federal tax on their own, instead of passing it through to business partners. The bill also allows a credit pass-through business partners can take on their personal and corporate state income tax returns to ensure that the business’s income isn’t taxed twice. If passed, the changes would take effect for 2019 tax year. The move is projected to be revenue neutral for the state.

Bills requiring sexual harassment training in the workplace, employee bullying liability, naloxone availability, mandated employee transportation coverage, mandated wage reporting and the elimination of the employment at will doctrine all failed to pass. There were so many costly and onerous bills yet in the end the voice of your Association and other business trade associations were heard by Business Leaders and failed to pass and become law.

Questions?
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