Rhode Island Legislative Update
MAY 2019

State News:
The 2019 Rhode Island General Assembly Session is nearing its conclusion with the status of a number of bills still to be determined. The car tax phase-out, so important your industry will continue as planned. However, the proposed budget for the fiscal year July 1, 2019 to June 30, 2020 continues to have a number of problematic budget articles. This includes the costly expansion of the sales tax to include services such as interior design, commercial building services including extermination, cleaning, landscaping, maintenance, cleaning and janitorial all of which are strongly opposed by business. Also in play is the costly health care assessment on employers (previously reported). This sales tax issue is a Rhode Island Lumber and Building Material Dealers Association priority issue.

On a positive note, a number of issue on your Association’s Legislative Priorities list do not appear to have support for passage by both the House and Senate. This includes the Global Warming Solutions Act which would include an added fee for carbon emissions with an unrealistic mandated conversion to electricity in 32 years. We cannot forget that our state has some of the nation’s highest utility costs. Your Association supports clean energy but it must be done in a responsible manner.

While there may be an increase in the minimum wage, proposals to increase it to $15 per hour by 2023 will not pass. The legislation of recreational marijuana, a major concern to businesses especially, to your Association will not be enacted this legislative session. The proposed legislation, despite passage in Massachusetts, has far too many unanswered questions. Employers are entitled to sufficient protections so as to maintain a safe workplace environment for both employees and customers. True, it will bring money to the state’s coffers but at what cost!

The onerous pay equity bill has support, especially in the Senate and may even pass the Senate but less likely to gain favor in the House. Its negative impact as presently drafted would be dramatic. Your Association strongly supports equality in the workplace but the legislation proposed would be difficult to comply with and be a bounty for trial lawyers.

S-598 – Fair Employment Practices and would forbid employers from requiring an employee to execute a nondisclosure or disparagement agreement as to alleged civil rights or criminal conduct violations as a condition of employment. Passage would make it less likely for employers to enter into settled agreements with employees and resolve disputes.

One problem bill, still in and intended to lay the seeds for passage of “pay equity” is titled “Equal Pay Data Collection and Reporting”. This legislation would require employers with 100 or more employees to file an annual report with the Department of Labor and Training (DLT) providing compensation information on employees broken down by age, gender, race, ethnicity, job category and occupation title.

This bill is well intended but creates yet one more regulatory burden for business. It’s problematic and opens employers to further litigation because many employer choose not to ask prospective employees questions race/ethnicity/transgender in the employment hiring process.

These are just a small example of issues still in play this legislative session.

Questions?
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