



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: April 1, 2019

Subject: Amendments to Article 3 of the FY 2020 Appropriations Act
(19-H-5151)

The Governor requests that Article 3 entitled "Relating to Government Reform" be amended with the following four changes, in addition to those submitted on March 5, 2019.

Change #1

In sections 4 and 20, corrections are required to language as submitted to clarify the intent of the requested changes.

Page 54, Line 12, delete the word "file".

Page 89, Line 27, insert "civil penalty" before the words "not to exceed".

Change #2

Section 9 amends RIGL 11-18-12 to clarify that the Department of Labor and Training will have injunctive authority for fuel sale false advertising violations, with the Department of Business Regulation still having injunctive authority for all other regulatory areas that are remaining within the Department of Business Regulation's purview.

Replace Section 9 starting on page 68, Line 11, with the following:

SECTION 9. Section 11-18-12 of the General Laws in Chapter 11-18 entitled "Fraud and False Dealing" is hereby amended to read as follows:

11-18-12. Injunction of false advertising.

(a) Except as provided in subsection (b), when it appears to the director of business regulation of the state of Rhode Island that any person, firm, corporation, or association is violating any of the provisions of § 11-18-10, the director of business regulation may cause to be instituted an action, commenced in the name of the director of business regulation in his or her capacity as director of business regulation, to enjoin the violation in the superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm, corporation or association from violating any of the provisions of § 11-18-10 without regard to whether criminal proceedings have been or may be instituted.

(b) When it appears to the director of labor and training of the state of Rhode Island that any person, firm, corporation, or association is violating any of the provisions of § 11-18-10 with respect to the offer or sale of liquid fuels, lubricating oils or other similar products, the director of labor and training may cause to be instituted an action, commenced in the name of the director of labor and training in his or her capacity as director of labor and training, to enjoin the violation in the superior court and the court shall have jurisdiction to enjoin and/or restrain any person, firm, corporation or association from violating any of the provisions of § 11-18-10 with respect to the offer or sale of liquid fuels, lubricating oils or other similar products without regard to whether criminal proceedings have been or may be instituted.

Change #3

A new section is requested after section 21 on page 90 to include a section relating to the move of the Small Business Ombudsman from the Office of Regulatory Reform to the Department of Business Regulation that was erroneously omitted from the appropriations act as submitted.

Section x. Chapter 42-64.13 of the General Laws entitled “Rhode Island Regulatory Reform Act” is hereby amended to read as follows:

42-64.13-8. Regulatory analysis responsibilities. – The office of regulatory reform shall have the following regulatory analysis and reporting responsibilities:

(1) The office of regulatory reform shall, upon the conclusion of each fiscal year, prepare and publish a report on the regulatory processes of state and municipal agencies and permitting authorities through a review and an analysis of proposed and existing rules and regulations to: (i) Encourage agencies to eliminate, consolidate, simplify, expedite or otherwise improve permits, permitting procedures and paperwork burdens affecting businesses, municipal government undertakings, industries and other matters of economic development impact in the state; (ii) Analyze the impact of proposed and existing rules and regulations on matters such as public health, safety and welfare, including job creation, and make recommendations for simplifying regulations and regulatory processes of state and municipal agencies and permitting authorities; (iii) Propose to any state or municipal agency consideration for amendment or repeal of any existing rules or procedures which may be obsolete, harmful to the economy or job growth in the state, or excessively burdensome with respect to any state or federal statutes or regulations; and (iv) Assist and coordinate with all agencies during the periodic review of rules required by § 42-35-3.4 of the Administrative Procedures Act.

(2) The ombudsman of the ~~office~~ department of business regulation ~~regulatory reform~~ shall implement the provisions of § 42-35.1-1 of the general laws entitled Small Business Regulatory Fairness and Administrative Procedures, and shall be the small business regulatory enforcement office pursuant to § 42-35.1-5 of the general laws.

Change #4

Section 25 on withholding of taxes from lottery and pari-mutuel betting winnings is amended to clarify language authorizing the Director of Lotteries to withhold taxes on all winnings from lottery terminal games and casino gaming as defined in RIGL 42-61.2-1. The requested changes are on page 95, Lines 31 – 34, as follows:

44-30-71.2. Withholding of tax from lottery, and pari-mutuel betting, video lottery terminal games and casino gaming winnings.

(a) Consistent with federal rules and regulations and procedures related to W-2G withholdings, ~~the~~ director of lotteries shall (i) deduct and withhold from the prize money, ~~income~~

~~from casino gambling or income from sports wagering revenue as prescribed by 42-61.2-1, of any person winning a prize from the state lottery, and (ii) require the deduction and withholding-casino gambling or sports wagering, from winnings from video lottery terminal games and casino gaming as defined in 42-61.2-1~~ a tax computed in such a manner as to result, so far as practicable, in an amount substantially equivalent to the tax reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island income of his or her prize money received during the calendar year. The method of determining the amount to be withheld shall be prescribed by regulations of the tax administrator, which regulations and amounts shall be based upon the federal rules, regulations and procedures.

If you have any questions regarding these amendments, please feel free to call me at 222-6300.

TAM: 20-Amend-19

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Elizabeth Dwyer, Director, Department of Business Regulation
Neena Savage, Tax Administrator