



OFFICE OF MANAGEMENT & BUDGET

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MEMORANDUM

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

The Honorable Ryan W. Pearson
Chairman, Senate Finance Committee

From: Jonathan Womer
Director, Office of Management & Budget 

Date: April 19, 2021

Subject: **Amendments to the FY 2021 Revised Appropriations Act (21-H-6121) and FY 2022 Appropriations Act (21-H-6122)**

The Governor requests that several amendments be made to various articles in the FY 2021 Revised Appropriations Act and FY 2022 Appropriations Act.

The Governor requests that technical amendments be made to Article 2 Relating to the Paycheck Protection Program under the FY 2021 Revised Appropriations Act.

The Governor also requests various amendments to the FY 2022 Appropriations Act encompassing Articles 1, 3, 4, 11, 13 and 16.

The amendment to Article 1 "Relating to Making Appropriations in Support of FY 2022" includes two components: (1) it specifies further the intent of proviso language included under the general revenue appropriation for the Hospital and Community Rehabilitative Services program; and (2) it adds the same language for similar purposes under the general revenue appropriation for the Services for the Developmentally Disabled program.

The request also provides in Attachment 1, a new section under Article 3 "Relating to Government Reform and Reorganization" that clarifies allowable uses of the I-195 Development District Commission Development Fund.

There are also technical corrections to Article 4 "Relating to Debt Management Act Joint Resolutions" and Article 11 "Relating to Adult Use Marijuana" as well as the inclusion of an additional definition to section 8 of Article 11.

The Governor amends Article 13 "Relating to Human Services" to clarify the entity responsible for tracking the supervision wrap date for individuals eligible to earn parole compliance credits.

Finally, the Governor amends Article 16 "Relating to Housing" to make technical and other changes including, in Attachment 2, the addition of a new section exempting sales of affordable housing developments financed with federal Low-Income Housing Tax Credits and/or owned by nonprofit corporations from the real estate conveyance tax. The Budget Office estimates a general revenue reduction of \$30,194 resulting from this exemption in addition to an impact on restricted receipts addressed in a prior amendment to the FY 2022 Appropriations Act. It had been the intent of the Administration to include this amendment in the original budget submission, but its review had not been finalized as of the March 11, 2021 submission deadline.

Please feel free to contact me with any questions about these requested changes.

**an original, signed version of this Memo was submitted to the General Assembly.*

JW:21-Amend-6

Attachments

cc: Sharon Reynolds Ferland, House Fiscal Advisor
James E. Thorsen , Director of Administration

Stephen Whitney, Senate Fiscal Advisor
Joseph Codega Jr., Deputy Budget Officer

2021 – H 6121 Relating to Making Revised Appropriations in Support of FY 2021

1. Article 2 – “Relating to the Paycheck Protection Program”

SECTION 1. The Paycheck Protection Program was inadvertently named as the Payroll Protection Program:

Page 42, line 10: Replace "Payroll" with "Paycheck"

Page 42, line 14: Replace "Payroll" with "Paycheck"

Page 44, line 3: Replace "Payroll" with "Paycheck"

Page 44, line 16: Replace "Payroll" with "Paycheck"

Page 45, line 28: Replace "Payroll" with "Paycheck"

Page 47, line 13: Replace "Payroll" with "Paycheck"

Page 52, line 5: Replace "Payroll" with "Paycheck"

Page 52, line 9: Replace "Payroll" with "Paycheck"

2021 – H 6122 Relating to Making Appropriations in Support of FY 2022

1. Article 1 – Relating to Making Appropriations in Support of FY 2022

SECTION 1. Page 18, after line 9: Insert the following: “Of this amount, \$500,000 may be used by the department to fund continued support of clients following discharge from Rhode Island Community Living Supports, if ongoing support for those clients is deemed necessary by the department and those clients are ineligible for third-party insurance benefit coverage or third-party insurance coverage is insufficient to compensate providers for ongoing support.”

SECTION 1. Page 19, lines 5-6: Strike “~~Of this appropriation, funds may be used to support patient centered care provided in an appropriate setting~~” and replace with the following text: “Of this amount, \$1,500,000 may be used by the department to fund continued care and treatment of patients following discharge from Eleanor Slater Hospital, if ongoing care and treatment for those patients is deemed clinically necessary by the department and those patients are ineligible for third-party insurance benefit coverage or third-party insurance coverage is insufficient to compensate providers for ongoing care and treatment deemed clinically necessary.”

2. Article 3 – Relating to Government Reform and Reorganization

New SECTION 8. Attachment 1 is a new section for Article 3 to clarify the Governor's original intent of the appropriations act as submitted to the General Assembly. Add new section 8 on Page 67, after Line 23 and renumber subsequent sections. This section clarifies that the I-195 Development District Commission can use the Development Fund for ongoing maintenance, operation, management and administration of the parks maintained, operated, managed and administered by the commission, including but not limited to, landscaping maintenance, capital maintenance, staffing and security costs and third party professional fees.

3. Article 4 – Relating to Debt Management Act Joint Resolutions

SECTION 2. The references to Council on Postsecondary Education should be replaced with University of Rhode Island Board of Trustees.

Page 68, line 8: Replace “Council on Postsecondary Education” with “University of Rhode Island Board of Trustees.”

Page 68, line 15: Replace “Council on Postsecondary Education” with “University of Rhode Island Board of Trustees.”

SECTION 3. The references to Council on Postsecondary Education should be replaced with University of Rhode Island Board of Trustees.

Page 69, line 12: Replace “Council on Postsecondary Education” with “University of Rhode Island Board of Trustees.”

Page 69, line 16: Replace “Council on Postsecondary Education” with “University of Rhode Island Board of Trustees.”

4. **Article 11 – Relating to Adult Use Marijuana**

SECTION 8. The term “marijuana cash use surcharge account” should be added to the Definitions section, and the remaining definitions renumbered:

Page 215, after line 21: Insert “(6) Marijuana cash use surcharge account means the restricted receipt account established in the Department of Revenue to collect penalties on tax payments related to marijuana that are paid in cash.” and renumber subsequent sections.

There is an incorrect reference in the “Returns” section:

Page 218, line 11: Replace "subsection (f)" with “subsection (e)”

Section 44-49.1-6 of chapter 44-49.1 was skipped, meaning that all sections after 44-49.1-5 need to be renumbered:

Page 217, line 31: Replace "44-49.1-7" with “44-49.1-6”

Page 218, line 24: Replace "44-49.1-8" with “44-49.1-7”

Page 219, line 3: Replace "44-49.1-9" with “44-49.1-8”

Page 219, line 25: Replace "44-49.1-10" with “44-49.1-9”

Page 220, line 16: Replace "44-49.1-11" with “44-49.1-10”

Page 220, line 21: Replace "44-49.1-12" with “44-49.1-11”

Page 220, line 32: Replace "44-49.1-13" with “44-49.1-12”

Page 222, line 12: Replace "44-49.1-14" with “44-49.1-13”

Page 222, line 21: Replace "44-49.1-15" with “44-49.1-14”

Page 223, line 6: Replace "44-49.1-16" with “44-49.1-15”

Page 223, line 13: Replace "44-49.1-17" with “44-49.1-16”

Page 223, line 21: Replace "44-49.1-18" with “44-49.1-17”

Page 223, line 25: Replace "44-49.1-19" with “44-49.1-18”

Section 44-49.1-6 of chapter 44-49.1 is inadvertently referenced in the Penalties section:

Page 222, line 5: Replace “§ 44-49.1-4, § 44-49.1-5, or § 44-49.1-6” with “44-49.1-4 or § 44-49.1-5”

5. **Article 13 – Relating to Human Services**

SECTION 3. The purpose of this amendment is to clarify that the entity responsible for tracking the supervision wrap date for individuals eligible to earn parole compliance credits is the Department of Corrections rather than the Parole Board. Page 248, lines 8-10 strike all text in subsection (g) “The parole board shall calculate an eligible parolee’s supervision termination date, taking into consideration any earned compliance credits at the end of each calendar quarter. Upon such calculation, the parole board shall inform the eligible offender of the termination date.” and

replace with the following text, “(g) The Department of Corrections shall keep a record of the eligible parolee’s sentence, including the person’s end of supervision date based on earned credits for compliance with the terms and conditions of parole.”

6. Article 16 – Relating to Housing

SECTION 3. The representative on the Coordinating Committee from the RI Housing and Mortgage Finance Corporation should be the executive director or their designee. Page 394, line 11 strike the first “~~chairperson~~” and replace with “executive director,” and add “, or designee” after “corporations” so that the line reads: “~~chairperson~~ executive director of the Rhode Island housing and mortgage finance corporations, or designee; the chairperson of the.”

SECTION 6. Page 402, line 31, the section header of SECTION 6 should be amended as follows: “Effective January 1, 2022, sections 44-25-1 and 44-25-2 of the General Laws in Chapter 44-25 entitled “Real Estate Conveyance Tax” are hereby amended to read as follows:”

Attachment 2, attached to this document, is a second, new section to SECTION 6, R.I. Gen. Laws 44-25-2, that includes amendment language exempting sales of affordable housing developments financed with federal Low-Income Housing Tax Credits and/or owned by nonprofit corporations from the real estate conveyance tax. Page 406, after line 5 add new section R.I. Gen Laws 44-25-2 and renumber subsequent section. This will have an annual, marginal impact on the revenue generated from the tax in future years, as follows:

Fund Source	Revenue Loss
General Revenue	\$(17,953)
Distressed Community Relief Program	\$(12,241)
Housing Resources Commission	\$(12,241)
State Share Transfer to the Housing Production Fund (if enacted)	\$(6,528)
Housing Production Fund Surcharge (if enacted)	\$(65,429)

There is a typographical error in the sentence describing the tax distribution of subsection b. Page 404, line 12 strike the first “~~to~~” so that the line reads: “the entire tax to the housing production fund established pursuant to § 42-128-2.1.”

GBA-6: Attachment 1:

New Section 8 – Article 3 Relating to Government Reform and Reorganization

SECTION 8. Section 42-64.24-4 of Chapter 42 of the General Laws entitled “State Affairs and Government” is hereby amended to read as follows:

42-64.24-4. Establishment of the fund – Uses – Composition.

(a) The I-195 Redevelopment Project Fund (the "fund") is hereby established under the jurisdiction of and shall be administered by the commission in order to further the goals set forth in Chapter 42-64.14 of the general laws and to promote, among other purposes, the development and attraction of advanced industries and innovation on and near the I-195 land in order to enhance Rhode Island's economic vitality.

(b) The uses of the fund include but are not limited to:

(1) Contributing to capital investment requirements for anchor institutions or other catalytic project components chosen in accordance with a vision developed, by the commission for location on the I-195 land, adjacent and proximate parcels;

(2) Filling project financing gaps for real estate projects on the I-195 land, adjacent and proximate parcels;

(3) Financing land acquisition in areas adjacent to and proximate to the I-195 land including street rights of way and abandonment costs;

(4) Financing public infrastructure and public facilities to support or enhance development including, but not limited to, transportation, parks, greenways, performance venues, meeting facilities, community facilities, and public safety precincts.

(5) Ongoing maintenance, operation, management and administration of the parks maintained, operated, managed and administered by the commission, including but not limited to, landscaping maintenance, capital maintenance, staffing and security costs and third-party professional fees.

(c) This statute shall not be construed as authorizing expenditure from this fund for the purpose of financing a stadium or other such facility built primarily for sporting activity.

(d) The fund shall consist of:

- (1) Money appropriated in the state budget to the fund;
- (2) Money made available to the fund through federal programs or private contributions;
- (3) Repayments of principal and interest from loans made from the fund;
- (4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial assistance provided under this chapter;
- (5) Application or other fees paid to the fund to process requests for financial assistance;
- (6) Recovery made by the commission or on the sale of an appreciated asset in which the commission has acquired an interest under this chapter; and
- (7) Any other money made available to the fund.

Attachment 2:

Under Section 6, new section in Article 16 Relating to Housing

44-25-2. Exemptions.

(a) The tax imposed by this chapter does not apply to any instrument or writing given to secure a debt.

(b) The tax imposed by this chapter does not apply to any deed, instrument, or writing wherein the United States, the state of Rhode Island, or its political subdivisions are designated the grantor.

(c) The tax imposed by this chapter does not apply to any deed, instrument, or writing that has or shall be executed, delivered, accepted, or presented for recording in furtherance of, or pursuant to, that certain master property conveyance contract dated December 29, 1982, and recorded in the land evidence records of the city of Providence on January 27, 1983, at 1:30 p.m. in book 1241 at page 849, and relating to the capital center project in the city of Providence.

(d) The qualified sale of a mobile or manufactured home community to a resident-owned organization as defined in § 31-44-1 is exempt from the real estate conveyance tax imposed under this chapter.

(e) No transfer tax or fee shall be imposed by a land trust or municipality upon the acquisition of real estate by the state of Rhode Island or any of its political subdivisions.

(f) Nothing in § 44-25-1(a) shall be construed to impose a tax upon any grant, assignment, transfer, conveyance or vesting of any interest, direct or indirect, among owners, members or partners in any real estate company with respect to an affordable housing development where:

(i) the housing development has been financed in whole or in part with federal low-income housing tax credits pursuant to §42 of the Internal Revenue Code; or

(ii) at least one of the owners, members or partners of the company is a Rhode Island nonprofit corporation or an entity exempt from tax under § 501(c)(3) of the Internal Revenue Code, or is owned by a Rhode Island nonprofit corporation or an entity that is exempt from tax under § 501(c)(3) of the Internal Revenue Code, and the housing development is subject to a recorded deed restriction or declaration of land use restrictive covenants in favor of the Rhode Island housing and mortgage finance corporation, the state of Rhode Island housing resources commission, the federal home loan bank or any of its members, or any other state or local government instrumentality under an affordable housing program. No such real estate company shall be an acquired real estate company under this section.