



Donald L. Carcieri
Governor

NEWS

Office of the Governor

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CARCIERI UNVEILS 2005 LEGISLATIVE AGENDA **Governor Submits Legislation to Limit Taxes & Spending, Create Jobs**

Governor Donald L. Carcieri today unveiled his legislative agenda for 2004. The Governor submitted 18 pieces of legislation designed to address statewide issues such as gambling, ethics, health care, homeland security, the environment, and economic development.

“As I said in my State of the State address, the four pathways to Rhode Island’s future prosperity are good government, good schools, good jobs, and a good place to live,” Governor Carcieri said. “The bills that I have submitted to the General Assembly this year attempt to address these four fundamental issues.”

Good Government:

Governor Carcieri: “We must begin to provide good government by getting our fiscal house in order. We can begin to make state government more accountable for tax and spending decisions by requiring super majority votes on all tax increases, by instituting a line-item veto, and by capping the rate of growth in the state budget.”

“Good government is also ethical. I have proposed the creation of a Select Commission on Public Integrity to review our state’s ethics system, and to make recommendations on how to encourage compliance with the highest ethical standards.”

- **Tax & Spending Accountability Act:** This legislation would provide increased accountability for state spending and taxation decisions. It includes three provisions:

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1. Tax Super Majority: The bill requires that any tax increase would require the approval of two-thirds majority. Under current law, a tax increase could be buried within a much larger bill and pass by a simple majority.
 2. Budget Line-Item Veto: The bill also includes a referendum to amend the Constitution to grant the Governor a budget line-item veto.
 3. Constitutional Spending Cap: The bill also includes a referendum to amend the Constitution to prohibit state spending from exceeding the three-year average annual percentage increase in personal income growth.
- Select Commission on Public Integrity: The Select Commission on Public Integrity would examine Rhode Island's current ethics system, and make recommendations designed to improve public confidence.
 - Greyhound Subsidy Elimination Act: This bill would eliminate the 3.4% share of the video lottery terminal proceeds that is currently paid to the kennel owners at Lincoln Greyhound Park.
 - Municipal Health Care Provider Choice Act: This legislation would mandate that no collective bargaining agreement covering any group or groups of state employees, public school teachers, or employees of any city or town may specify that an employer must procure a health care benefit plan from a specific provider.
 - School Budget Arbitration Act: This legislation is designed to provide municipal governments with increased control over local school budgets. Specifically, this legislation would establish an arbitration process to resolve disputes between local school committees and municipal governments in setting school budgets.
 - Municipal School Contract Control Act: This legislation would require any collective bargaining contract entered into by the school committee to be ratified by the city or town council.
 - Judicial Nominating Committee (JNC) Reform Act: This legislation would provide the Governor with greater flexibility in nominating judicial candidates by increasing the pool of potential candidates. Specifically, this legislation would amend the judicial nominating process to permit candidates submitted to the Governor by the JNC to remain eligible for selection by the Governor for five years (provided that there is no material change in their status that would affect their eligibility). The act would also remove the present limit of five names that the JNC can submit to the Governor for each judicial opening.

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Good Schools:

Governor Carcieri: “We must provide good schools by increasing educational opportunities for Rhode Island children. To do this, I am proposing to eliminate the artificial limit on the number of charter schools in each district.”

- Charter School Choice Act: This legislation would eliminate the current artificial cap on the number of charter schools in each school district. State law currently limits the number of charter schools to twenty throughout the state, and to two for each school district (except Providence, which serves more than 20,000 students). Rhode Island currently has 10 charter schools, enrolling approximately 1,700 students. This bill would allow additional charter schools to be established in each district based on actual demand.

Good Jobs:

Governor Carcieri: “We must encourage economic growth and the development of new jobs by attracting new businesses, supporting the growth of entrepreneurial companies, and redeveloping the Quonset/Davisville Commerce Park into a destination of choice.”

- Quonset Davisville Management Act: This legislation provides that the Quonset Point/Davisville Port and Commerce Park be governed by a board of directors with the powers to directly manage the affairs and assets of the park. The seven-member board would include representation from the towns of North Kingstown and Jamestown, and would be chaired by the executive director of the Rhode Island Economic Development Corporation.
- Human Resources Investment Council Restructuring Act: This legislation would restructure the Human Resources Investment Council to optimize its ability to assist in the creation of jobs throughout Rhode Island.
- Surplus Property Optimization Act: This legislation would provide the Economic Development Corporation (EDC) with the right of first refusal on real estate that is being disposed of by other state agencies. This will allow EDC to market these properties to companies and businesses wishing to relocate.
- Rhode Island Tourism Development Corporation Act: This legislation is designed to help Rhode Island market itself as one of the best year-round tourism destinations in America. Specifically, this act would create the Rhode Island Tourism Development Corporation (RITDC) to coordinate the state’s tourism promotion efforts and to oversee the expenditure of funds generated through the state hotel tax. This act also directs a portion of the hotel tax to RITDC for use in statewide tourism promotion efforts, and places all tax collection responsibility with the Division of Taxation.

The RITDC will develop a tourism guide plan to: increase the number of tourists visiting Rhode Island; increase the per person expenditure of visitors; establish accountability measures for all organizations receiving state funding for tourism programs; encourage cooperation among all state tourism organizations; and secure predictable funding of tourism organizations.

- **Creative Company Act:** This legislation is designed to encourage the establishment of entrepreneurial companies in Rhode Island. Specifically, this act would allow the Economic Development Corporation to grant capital gains tax exemptions for investors, owners, and managers of companies achieving significant growth in Rhode Island. To qualify for the incentive, a company must create and maintain at least 200 such jobs or \$10,000,000 in Rhode Island payroll. No more than 20 companies per year may be granted tax exemptions.

Good Place to Live:

Governor Carcieri: “We can make Rhode Island a better place to live and work by protecting our environmental resources, by attacking the causes of skyrocketing health care costs, and by increasing our state’s security preparation. Additionally, we can preserve Rhode Island’s quality of life by protecting our state from the unrestrained influence of casino gambling.”

- **Level Playing Field Casino Act:** This legislation is designed to create a level playing field between Rhode Island’s current gaming facilities and any potential casino. This bill would require any new casino to provide the state with the same share of its revenues that we currently receive from Lincoln Greyhound Park and Newport Grand. The state currently receives sixty percent of the video lottery terminal revenues at Lincoln and Newport.
- **Casino Dual Ownership Act:** This legislation is designed to prevent any one company from owning more than one gaming facility in the State of Rhode Island. This measure would prevent a single owner from establishing a casino, purchasing Lincoln Greyhound Park or Newport Grand, then intentionally siphoning customers to the casino, where they hope to receive a lower tax rate.
- **Health Care Tort Reform Act:** This legislation would provide effective health care liability reform designed to improve access to health care services; reduce the incidence of "defensive medicine"; ensure fair, prompt and adequate compensation for meritorious claims; and reduce the time necessary to resolve liability claims. The bill is also designed to reduce the rate of cost increases in medical malpractice insurance, which often force physicians to limit or abandon their practices. Specifically, this act would cap non-economic damages at \$250,000 per claimant; and reduce the rate of prejudgment interest assessed on malpractice awards from 12 percent to between 5 and 8 percent per year.
- **Homeland Security Act:** This legislation is designed to strengthen Rhode Island’s homeland security statutes by sanctioning the possession, manufacture, use, or threatened use of chemical, biological, nuclear, or radiological weapons, as well as the intentional use or threatened use of industrial or commercial chemicals as weapons.
- **Cesspool Elimination Act:** This legislation would protect Rhode Island’s clean water resources by phasing out the use of high-risk cesspools. Approximately sixty thousand cesspools existed within the state as of 2004. Cesspools are an inadequate means of sewage treatment and disposal, which contribute directly to groundwater and surface water contamination, and have been identified as a significant source of pollution in portions of Narragansett Bay. This legislation would phase out high-risk cesspools by 2020.