

March 2013 RI Legislative Update

As of this writing – the focus of the past week has been on the Same Sex Marriage Bill now being considered in the RI Senate – after having been passed through the House last month. As the governor has said he would most likely sign such a bill – this is viewed as the next major hurdle. The bill must get out of Senate judiciary committee in order to go before the full Senate. This committee is split on this and because of this we have seen strong lobby on both sides. This has really served as the focus of the General Assembly with little action on other bills submitted previously.

To summarize some positive legislative submitted, we have seen a good number of bills submitted in both Chambers focused on developing a better climate for business in RI. This, of course, also serves the wishes of all voters as it would also serve to create or solidify jobs. The Senate has gone a step further and most recently has packaged a number of their bills – some 25 pieces of legislation – together as an all-encompassing program. This was introduced by Senate President Paiva Weed on March 12th.

This pro-business legislation is generally focused in six areas including economic development, work force training, education, health, energy, and tax policy. Although the first few categories would have more impact in the longer term or near future – the tax bills would have an impact quickly. The majority of these tax bills focus on minimizing the impact on the corporate tax (some include eliminating it completely) and/or providing tax relief based on adding jobs.

The association is actively supporting all of these tax relief bills – particularly those that would seem to be more viable chance of passage than the others. The association is also working with the Small Business Administration and the House Committee on Small Business on other job creation and training bills. These efforts include those that are related to prospective legislation and others that have not been introduced as of yet, but would stimulate business development and/or expansion in the short term.

In addition to the positive pieces of legislation there are still a number of bills that have been proposed that are not in the best interest of our industry. These bills include some familiar areas with enhancements and a few new ones.

These “negative impact” bills introduced include a minimum wage increase bill - with subsequent COLA annual increases (H 5079) that would increase the minimum wage by .50 on Jan. 1st next year. This bill has already had a hearing and is being held for further study. As mentioned previously the Food Dealers has sent written testimony to the Chair of House Labor voicing our objections as we did during the committee hearing last year. A new point of objection would be that this is contrary to the legislator’s commitment to add jobs in 2013. We expect a companion bill on the Senate side but as we are passed the bill introduction period any such effort would have to come from Senate leadership. We will continue to watch this closely.

eVerification continues to be an area of legislative interest. The positioning of these bills (H 5016 & H 5236) has changed and to be consistent with the popular theme of this legislative session - to add jobs. It would require employers to run mandatory background checks and use only validated workers. This would, in theory, force illegal immigrants from the workforce and those jobs would be filled by legal employees. Although this type of legislation may have some merit it is unclear how efficient and expensive this could be for employers. During a time when the focus should be on making it easier for employers to hire it could add additional bureaucracy and costs to the process. H 5016 has also had a hearing and it was determined that this bill be held for further study.

A new bill that was formally introduced after our last legislative update that is a concern for all of us is a plastic bag ban (H 5402, Cimini). The association met with the sponsor prior to the bill filling in an attempt to have this held out – but with the various communities considering similar bans in their cities and towns and the strong backing this has from environmental groups it was inevitable that this would be introduced. This bill has not been scheduled for a hearing – but a companion bill was submitted on the Senate side (S 0404, Nesselbush). After recently meeting with a few leaders it would not seem that this bill has their

backing. It is, however, another step forward for the proponents of a bag ban and not be going away anytime soon.

As reported last month we have seen introduced on the House side the 2013 session version of the beverage tax (H 5228). Similar to last year it would add a tax to distributors and bottlers of 1 cent per gallon (including mixes based on yield) to all sugared beverages. Unlike past bills this one is very specific as to where the revenue would go – basically to education type programs.

There has not been a hearing on this and as of this writing there is no companion bill on the Senate side so this does not appear to in the forefront this session.

Another familiar piece of legislation that has come forward this week is with regard to GMO labeling (H5278). This would require any product that is sold in RI that is derived from or contains GMO ingredient to be labeled as such. Last year there were several bills introduced so this could be the first of several this year as well. This bill as written give little detail as to how this would be executed or policed – but would be burdensome and costly for all companies in the food supply chain. This bill is scheduled for a hearing at the end of the month. The association has already submitted written testimony on this and we plan on meeting with members of the House Health Education and Welfare committee prior to the hearing.

The House was the first to introduce an all-encompassing EPR bill (H5264) despite the fact that the special Senate commission that was put together to study this has not reported back to the General Assembly yet. This bill is very broad based and all-encompassing and would require all manufactures/owners of all consumer products to submit and gain approval of a plan that provides for “end of life” for all packaging. Basically they have to have a plan for what becomes of the packaging once the product has been used or consumed – namely how will this packaging be disposed of. This could involve payments to the state from the product originator based on volume of disposing at the state landfill.

This bill has many unknowns attached to it including how this will be monitored and what the expectations of the retailers are in this process –as well as what the

potential liabilities would be for the manufacturer, distributor and retailer. This bill has not been schedule for a hearing, but does have a companion bill (S 0406. Cool Rumsey) and bears close monitoring.