

## **RI Legislative Update**

### **April 17, 2012**

With the end of the bill submission period for most legislators (only leadership can introduce at this point) events have recently been taking a more active turn on the bills that we have been following. Although the General Assembly still faces the task of balancing the budget and preparing alternates for legislative support (which is certainly going on behind the scenes in a much less public profile) the majority of bills has now been introduced and has progressed along the legislative path.

As most political observers agree, due to less than overwhelming support of the budget proposed by the governor's office the actual budget will undergo many modifications before it proceeds out of the House Finance Committee. This process needs to be monitored closely as leadership could use other means to gain funding (or make different cuts in expenditures) in order to meet the budget criteria. Additionally, as we have seen previously, this budget situation also provides opportunities for legislation that would otherwise die in committee to be fast tracked at the end – both to accommodate budget needs or in the spirit of compromise to gain votes needed in both Houses.

In recent weeks we have testified at hearings for the minimum wage bills (H7396 and S2374) – the latest meeting in front of Senate Labor on April 14<sup>th</sup>. Although we were in the minority of those testifying against the bill (both in establishing a new minimum base and in opposition to the COLA adjustments outlined in subsequent years) we were able to present the point that our industry has specific unique characteristics including a significant part time to full time ratio and base step increases that put us in an unenviable position and financial disadvantage should this bill pass as written. Further, although the industry pays above average wages overall – it also provides a number of benefits to part and full time employees that most industry's do not. This needs to be taken into consideration with any legislation considered.

We have strong support with members of these committees and we are fairly confident that if this moves forward it will be modified to be fair and equitable. In both the Senate and House versions of this bill the outcomes of the hearings was to “hold the bills for further study”. This by no means signifies that these are dead as they could be fast tracked near the end of the session in order to get comprises on other legislation or as noted above to move the budget through to the necessary majority to support the latest version of the budget.

On April 10<sup>th</sup> we also testified in front of House Finance Committee which had a hearing on H 7342 – the Beverage Tax. In conjunction with the Coalition of associations and Chambers we presented a well-organized and meaningful argument as to why this bill should not be considered. Thanks to a number of our RIFDA members who presented letters of opposition we were able to show a strong network of businesses who would be hurt by this bill. We also went to lengths to show the negative impact and perception to consumers. Those consumers are also constituents of the legislators and in an election year it is effective to point out to them that the voters would not be happy with them for imposing an additional tax and for increasing their already increasing food bill.

Although this Beverage Tax bill has been refined and is reintroduced each of the past three years and has strong support from the American Heart Association, the Diabetes Association, the RI Department of Health (and a number of other groups) it would seem highly unlikely – but certainly possible – that this would go forward as written. Most legislators we have talked to would not support it if it got out of committee. Most view this as an excessive tax on consumers and recognize that the industry has introduced a number of new items over the past few years – so consumer have choices and should be allowed to make them.

This bill is also be “Held for Further Study” currently. The Senate version of this bill (S 2798) has not scheduled a hearing for their companion bill. The coalition will continue to speak out against this bill and take whatever actions it needs to if this shows any chance of moving forward.

On the following page gives a quick review of the key bills we are following and the current status of these bills. If you have any question please contact our office and we would be glad to provide additional detail.

Format for "RIFDA Legislative Committee Key Bill Tracking" (*Include checked off bills only from spreadsheet provided*)

H 7027 Introduced by Walsh, Handy, Tanzi & Others; Assigned to House Envir. & Nat. Resources

**Overview:** This resolution would create.....

**Current Status:** Sub A: House vote 2/8/12, Recommitted to HENR Comm.

H 7314 Introduced by Hearn, Marcello, Tomasso, & Rugguero; Assigned to House Labor

**Overview:** This legislation would.....

**Current Status:** Hearing on 2/7/12: Hold for Further Study

Etc.

Etc.