

2011 -- H 5148

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO MENTAL HEALTH, RETARDATION AND HOSPITALS --
DEVELOPMENTALLY DISABLED ADULTS

Introduced By: Representatives Naughton, E Coderre, Morrison, Ferri, and Tomasso

Date Introduced: January 27, 2011

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 40.1-21 of the General Laws entitled "Division of Developmental
2 Disabilities" is hereby amended by adding thereto the following section:

3 **40.1-21-19. Sale of state-owned group homes.** – (a) The general assembly hereby finds
4 that private providers of services for developmentally disabled adults have effectively operated
5 various state-owned homes for the benefit and support of such individuals. The purpose of this act
6 is to further the maintenance and support of said homes in order to sustain quality living for said
7 individuals. It is a purpose of this act to further the goal set out over thirty (30) years ago to
8 achieve deinstitutionalization of services provided to developmentally disabled adults as to foster
9 a life of respect and dignity. The citizens of Rhode Island, through the approval of bond issues,
10 have expressed their support for the goal of affording said individuals the opportunity to live in
11 the community in their own home. In addition thereto there are other groups of individuals with
12 developmental disabilities whose use of underutilized state-owned homes will enhance and
13 improve their lives, and the lives of our veterans and elderly. It is the intent of the general
14 assembly that this act, being necessary for the welfare of the state and its citizens, shall be
15 liberally construed so as to effectuate its purposes herein.

16 (b) In the event the department of mental health, retardation and hospitals ("department"),
17 in exercising the department's authority, shall decide to sell or transfer the ownership interest in
18 any group home under state ownership, shall, prior to such sale or transfer, provide the current

1 private provider operating said home, a right of first refusal to acquire said group home. In
2 addition thereto, where a state-owned group home is not currently in operation and the
3 department desires to transfer ownership of the same the department will establish a program to
4 provide for the transfer or sale to a private provider under the terms set forth herein. For the
5 purposes of this section “private provider” shall be defined as an entity which leases and operates
6 state-owned group homes and provides ancillary services as defined in sections 40.1-21-4.3 under
7 a contract with the state.

8 (c) Said right of first refusal shall be extended for a period of not less than one year from
9 the date of written notification by the department to the private provider of the department’s
10 intent to sell or transfer ownership in said home. Within thirty (30) days the department and
11 provider shall meet to negotiate in good faith a purchase price or transfer arrangement under the
12 terms and conditions set forth herein. Provided however, that upon the one year anniversary of
13 the notice of intent to sell or transfer the private provider, having acted in good faith to secure
14 funding to purchase said home, requires additional time to complete the sales transaction, then an
15 extension shall be granted for a reasonable amount of time, such extension shall not be
16 unreasonably withheld.

17 (d) The purchase price of said state-owned group homes shall be negotiated between the
18 state and private provider in good faith. Fair market value shall not be the determining factor in
19 establishing a price. The department and private provider shall apply a standard as to establish a
20 fair price so as to preserve the quality of living for the developmentally disabled adults that shall
21 reside therein. The acquisition price determined hereunder, being for the benefit of
22 developmentally disabled adults shall be accepted by the state notwithstanding any law to the
23 contrary, including, but not limited, to the provisions of chapter 6 of title 37.

24 (e) Any private provider who shall acquire any said group home hereunder shall enter
25 into an agreement with the department that provides that the acquired group home shall continue
26 to be operated for the benefit of people with developmental disabilities, support for the elderly,
27 veterans or as transition units to assist in the increase in independent living, or upon the sale or
28 disposition thereof, proceeds of any sale shall be utilized for the benefit of developmentally
29 disabled adults.

30 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would offer private operators of state-owned group homes the right of first
- 2 refusal should the state to decide to sell the facility.
- 3 This act would take effect upon passage.

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