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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF
COMMERCE

Introduced By: Representatives Melo, Ucci, Blazejewski, Winfield, and Costantino

Date Introduced: May 01, 2013

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 64.18

4 EXECUTIVE OFFICE OF COMMERCE

5 **42-64.18-1. Statement of intent. --** The purpose of this chapter is to develop an
6 integrated system of economic development activities while preserving and protecting the safety
7 and quality of life for the citizens of Rhode Island and to promote the economic viability of the
8 Rhode Island economy, and ensure the efficient use of all available resources by the
9 departments/divisions responsible for the regulation of growth within the state and the provision
10 of labor and training programs serving all Rhode Islanders, and to provide and promote and
11 encourage the preservation, expansion and sound development of new and existing industry,
12 business, commerce, agriculture, tourism, recreational, and renewable energy facilities,
13 promoting thereby the economic development of the state and the general welfare of its citizens
14 and to meet this need while continuing to build on the achievements that have already been made.
15 The interests of all Rhode Islanders will best be served by codifying in the state's general laws the
16 purposes and responsibilities of the executive office of commerce and the position of secretary of
17 commerce.

18 **42-64.18-2. Purposes. --** The Rhode Island executive office of commerce is authorized,

1 created, and established as the state's lead agency for economic development throughout Rhode
2 Island for the following purposes: To promote and encourage the preservation, expansion, and
3 sound development of new and existing industry, business, commerce, agriculture, tourism, and
4 recreational facilities in the state, which will promote the economic development of the state and
5 the creation of opportunities for economic stability and employment through a business climate
6 that fosters opportunity for all Rhode Islanders.

7 **42-64.18-3. Executive office of commerce. --** (a) There is hereby established within the
8 executive branch of state government an executive office of commerce effective January 1, 2014,
9 to serve as the principal agency of the executive branch of state government for managing the
10 promotion of commerce and the economy within the state and shall have the following powers
11 and duties in accordance with the following schedule:

12 (1) On or about February 1, 2014, to operate functions from the department of business
13 regulation;

14 (2) No later than April 1, 2014, to operate functions from department of labor and
15 training;

16 (3) No later than July 1, 2014, to coordinate, in conjunction with the director of the
17 department of environmental management, the business permit processes of the department in
18 order to expedite the issuance of said permits;

19 (4) No later than October 1, 2014, to operate various divisions and functions from the
20 department of administration;

21 (5) No later than February 1, 2015, to coordinate, in conjunction with the coastal resource
22 management council (CRMC), the business permit processes of the council in order to expedite
23 the issuance of said permits; and

24 (b) In this capacity, the office shall:

25 (1) Lead the state's business regulatory departments and coordinate business permitting
26 processes in order to:

27 (i) Improve the economy, efficiency, coordination, and quality of the business climate in
28 the state;

29 (ii) Design strategies and implement best practices that foster economic development and
30 growth of the state's economy;

31 (iii) Maximize and leverage funds from all available public and private sources, including
32 federal financial participation, grants and awards;

33 (iv) Increase public confidence by conducting customer centric operations whereby
34 commercial enterprise are supported and provided programs and services that will grow and

1 nurture the Rhode Island economy; and

2 (v) Be the state's lead agency for economic development.

3 (c) The office shall lead the state's energy programs, office of regulatory reform and other
4 administration functions which promote, enhance or regulate various service and functions in
5 order to:

6 (1) Promote coordinated and consistent energy plans within the state; and

7 (2) Promote the reform and improvement of the regulatory function of the state.

8 **42-64.18-4. Secretary of commerce -- Appointment. --** The executive office of
9 commerce shall be administered by a secretary of commerce, hereafter referred to as "secretary".
10 The position of secretary is hereby created in the unclassified service. The secretary shall be
11 appointed by the governor. The secretary shall hold office at the pleasure of the governor and
12 until a successor is appointed and qualified. Before entering upon the discharge of duties, the
13 secretary shall take an oath to faithfully execute the duties of the office. The secretary shall be
14 appointed by January 1, 2014.

15 **42-64.18-5. Responsibilities of the secretary. --** (a) The secretary shall be responsible to
16 the governor for supervising the executive office of commerce, for coordinating, in conjunction
17 with the director of the department of environmental management and CRMC the business permit
18 processes of the department and council in order to expedite the issuance of said permits, and
19 for managing and providing strategic leadership and direction to the other divisions and
20 departments under the jurisdiction of this chapter, for serving as the chief executive officer of the
21 Rhode Island commerce corporation, for convening the economic development planning council
22 to develop the economic development policy and strategic plan in accordance with section 42-
23 64.16, and for serving as chair of the council of economic advisors in accordance with section 42-
24 64.17.

25 (b) Notwithstanding any provision of law to the contrary, the secretary shall appoint the
26 chiefs/directors of the divisions/departments within the executive office of commerce.

27 **42-64.18-6. Duties of the secretary. --** The secretary shall be subject to the direction and
28 supervision of the governor for the oversight, coordination and cohesive direction of state
29 economic development activities of the state and in ensuring the laws are faithfully executed,
30 notwithstanding any law to the contrary. In this capacity, the secretary of commerce shall be
31 authorized to:

32 (a) Coordinate the administration and financing of various departments or divisions
33 within the office and to supervise the work of the Rhode Island commerce corporation.

34 (b) Serve as the governor's chief advisor and liaison to federal policymakers on economic

1 development as well as the principal point of contact in the state on any such related matters.
2 Review and ensure the coordination of the development of an overarching economic development
3 plan as produced by the office.

4 (c) Receive from department directors, within the timelines specified, any information
5 and resources the secretary deems necessary in order to perform the reviews authorized in this
6 section;

7 (d) Beginning in 2014, prepare and submit to the governor, the chairpersons of the house
8 and senate finance committees, and the caseload estimating conference, by no later than April 15
9 of each year, a comprehensive overview of the Rhode Island economy. The secretary shall
10 determine the contents of the overview and shall determine the important economic data and
11 information that will inform the governor, and the revenue estimating committee on the economic
12 conditions of the state and future issues and forward looking projects of the Rhode Island
13 economy.

14 (e) The directors of the departments, as well as local governments and school
15 departments, shall assist and cooperate with the secretary in fulfilling this responsibility by
16 providing whatever resources, information and support shall be necessary.

17 (f) Resolve administrative, jurisdictional, operational, program, or policy conflicts among
18 departments and their executive staffs and make necessary recommendations to the governor.

19 (g) Assure continued progress toward improving the quality, the economy, the
20 accountability and the efficiency of state-administered programs to support the Rhode Island
21 economy. In this capacity, the secretary shall:

22 (1) Direct implementation of reforms in the economic development practices of the
23 departments that streamline and upgrade services, achieve greater economies of scale and
24 establish the coordinated system of the staff education, cross- training, and career development
25 services necessary to recruit and retain a highly-skilled, responsive, and engaged workforce;

26 (2) Encourage the departments to utilize consumer-centered approaches to service design
27 and delivery that expand their capacity to respond efficiently and responsibly to the diverse and
28 changing needs of the people and communities they serve;

29 (3) Develop all opportunities to maximize resources by leveraging the state's purchasing
30 power, centralizing fiscal service functions related to budget, finance, and procurement,
31 centralizing communication, policy analysis and planning, and information systems and data
32 management, pursuing alternative funding sources through grants, awards and partnerships and
33 securing all available federal financial participation for programs and services provided through
34 the departments; and

1 (4) Strengthen the financial support system for business and enterprises program
2 integrity, quality control and collections, and recovery activities by consolidating functions within
3 the office in a single unit that ensures all affected parties pay their fair share of the cost of
4 services and are aware of alternative financing.

5 (h) Prepare and integrate comprehensive budgets for the commerce services departments
6 and any other functions and duties assigned to the office. The budgets shall be submitted to the
7 state budget office by the secretary, for consideration by the governor, on behalf of the state's
8 commerce agencies in accordance with the provisions set forth in section 35-3-4 of the Rhode
9 Island general laws.

10 (i) Utilize objective data to evaluate economic development policy goals, resource use
11 and outcome evaluation and to perform short and long-term policy planning and development.

12 (j) Establishment of an integrated approach to interdepartmental information and data
13 management that complements and furthers the goals of the council of economic advisors and
14 that will facilitate the transition to consumer-centered system of state administered economic
15 development programs and services.

16 (k) At the direction of the governor or the general assembly, conduct independent reviews
17 of state-administered economic development programs, policies and related agency actions and
18 activities and assist the department directors in identifying strategies to address any issues or
19 areas of concern that may emerge thereof. The department directors shall provide any information
20 and assistance deemed necessary by the secretary when undertaking such independent reviews.

21 (l) Provide regular and timely reports to the governor and make recommendations with
22 respect to the state's economic development agenda.

23 (m) Employ such personnel and contract for such consulting services as may be required
24 to perform the powers and duties lawfully conferred upon the secretary.

25 (n) Implement the provisions of any general or public law or regulation related to the
26 disclosure, confidentiality and privacy of any information or records, in the possession or under
27 the control of the executive office or the departments assigned to the executive office, that may be
28 developed or acquired for purposes directly connected with the secretary's duties set forth herein.

29 **42-64.18-7. Departments/divisions assigned to the executive office -- Powers and**
30 **duties. -- (a) The departments and or divisions assigned to the secretary shall:**

31 (1) Exercise their respective powers and duties in accordance with their statutory
32 authority and the general policy established by the governor or by the secretary acting on behalf
33 of the governor or in accordance with the powers and authorities conferred upon the secretary by
34 this chapter;

1 (2) Provide such assistance or resources as may be requested or required by the governor
2 and/or the secretary; and

3 (3) Provide such records and information as may be requested or required by the
4 governor and/or the secretary to the extent allowed under the provisions of any applicable general
5 or public law, regulation, or agreement relating to the confidentiality, privacy or disclosure of
6 such records or information.

7 (4) Forward to the secretary copies of all reports to the governor.

8 (b) Except as provided herein, no provision of this chapter or application thereof shall be
9 construed to limit or otherwise restrict the department of environmental management, the
10 department of business regulation or the department of labor and training from fulfilling any
11 statutory requirement or complying with any valid rule or regulation.

12 (c) The secretary shall determine in collaboration with the department directors whether
13 the officers, employees, agencies, advisory councils, committees, commissions, and task forces of
14 the departments who were performing such functions shall be transferred to the office.

15 (d) In the transference of such functions, the secretary shall be responsible for ensuring:

16 (1) Minimal disruption of services to consumers;

17 (2) Elimination of duplication of functions and operations;

18 (3) Services are coordinated and functions are consolidated where appropriate;

19 (4) Clear lines of authority are delineated and followed;

20 (5) Cost savings are achieved whenever feasible;

21 (6) Program application and eligibility determination processes are coordinated and,
22 where feasible, integrated; and

23 (7) State and federal funds available to the office and the entities therein are allocated and
24 utilized for service delivery to the fullest extent possible.

25 (d) Except as provided herein, no provision of this chapter or application thereof shall be
26 construed to limit or otherwise restrict the departments under this section from fulfilling any
27 statutory requirement or complying with any regulation deemed otherwise valid.

28 (e) To ensure an orderly transfer of functions to the office of commerce the following
29 transition shall occur at the direction of the governor, secretary of commerce and the respective
30 directors of the department affected.

31 (f) On or about February 1, 2014, the office shall commence to operate the functions
32 from the department of business regulation (DBR) as set forth below:

33 (1) All functions currently assigned to the DBR shall be transferred to the office of
34 commerce effective no later than February 1, 2014.

1 (g) No later than April 1, 2014, the office shall commence to operate the functions from
2 the department of labor and training (DLT) as set forth below:

3 (1) The following functions currently assigned to the DLT shall be transferred to the
4 office of commerce effective no later than April 1, 2014:

5 (i) Unemployment insurance;

6 (ii) Employment services;

7 (iii) Governor's workforce board;

8 (iv) Job training partnership act (JTPA) and other training programs;

9 (v) Labor market information;

10 (vi) Veteran services;

11 (vii) Labor standards;

12 (viii) Occupational safety; and

13 (ix) Professional regulations.

14 (h) No later than July 1, 2014, the office shall commence to coordinate, in conjunction
15 with the director of the department of environmental management, the business permit processes
16 of the department in order to expedite the issuance of said permits.

17 (i) No later than October 1, 2014, the office shall commence to operate the functions
18 from the department of administration as set forth below:

19 (1) The following functions currently assigned to the department of administration
20 (DOA) shall be transferred to the office of commerce effective no later than October 1, 2014:

21 (i) Fire code; building code; regulatory reform; energy resources; renewable energy fund;
22 statewide planning; planning; housing/community development; minority business enterprises;
23 and health benefits exchange.

24 (j) No later than February 1, 2015, the office of commerce shall commence to coordinate,
25 in conjunction with the coastal resource management council (CRMC), the business permit
26 processes of the council in order to expedite the issuance of said permits.

27 (k) There may be formed within the office of the commerce four (4) divisions assigning
28 the above listed functions to these specific divisions within the office. The four divisions may
29 include workforce training, regulatory, energy and central management. The governor with the
30 submission of the FY 2015 budget shall allocate resources to the new commerce office and to
31 consolidate the departments that have had their functions changed.

32 **42-64.18-8. Appointment of employees. --** The secretary, subject to the provisions of
33 applicable state law, shall be the appointing authority for all employees of the executive office of
34 commerce. The secretary may assign this function to such subordinate officers and employees of

1 the executive office as may to him or her seem feasible or desirable. The appointing authority of
2 the secretary provided for herein shall not affect, interfere with, limit, or otherwise restrict the
3 appointing authority vested in the directors for the employees of the departments under applicable
4 general and public laws.

5 **42-64.18-9. Appropriations and disbursements.** -- The general assembly shall annually
6 appropriate such sums as it may deem necessary for the purpose of carrying out the provisions of
7 this chapter. The state controller is hereby authorized and directed to draw his or her orders upon
8 the general treasurer for the payment of such sum or sums, or so much thereof as may from time
9 to time be required, upon receipt by him or her of proper vouchers approved by the secretary of
10 the executive office of commerce, or his or her designee.

11 **42-64.18-10. Rules and regulations.** -- The executive office of commerce shall be
12 deemed an agency for purposes of section 42-35-1, et seq. of the Rhode Island general laws. The
13 secretary shall make and promulgate such rules and regulations, fee schedules not inconsistent
14 with state law and fiscal policies and procedures as he or she deems necessary for the proper
15 administration of this chapter and to carry out the policy and purposes thereof.

16 **42-64.18-11. Severability.** -- If any provision of this chapter or the application thereof to
17 any person or circumstance is held invalid, such invalidity shall not affect other provisions or
18 applications of the chapter, which can be given effect without the invalid provision or application,
19 and to this end the provisions of this chapter are declared to be severable.

20 **42-64.18-12. Cooperation of other state executive branch agencies.** -- As may be
21 appropriate from time to time, the departments and other agencies of the state of the executive
22 branch that have not been assigned to the executive office of commerce under this chapter shall
23 assist and cooperate with the executive office as may be required by the governor requested by
24 the secretary.

25 SECTION 2. Sections 42-64.13-3, 42-64.13-5 and 42-64.13-6 of the General Laws in
26 Chapter 42-64.13 entitled "Rhode Island Regulatory Reform Act" are hereby amended to read as
27 follows:

28 **42-64.13-3. Purposes of chapter.** -- The purposes of this chapter are to create within the
29 ~~office of management and budget~~ Rhode Island executive office of commerce, the office of
30 regulatory reform that will facilitate the regular review of Rhode Island's regulatory processes and
31 permitting procedures, report thereon in an effort to improve them and assist and facilitate
32 economic development opportunities within the regulatory and permitting processes and
33 procedures that exist within Rhode Island state and municipal government.

34 **42-64.13-5. Creation of the office of regulatory reform.** -- The ~~office of management~~

1 ~~and budget~~ Rhode Island executive office of commerce shall create and maintain an office of
2 regulatory reform that shall be adequately staffed and supervised in order to fulfill its functions as
3 set forth in this chapter.

4 **42-64.13-6. Director of office of regulatory reform. --** The office of regulatory reform
5 shall be managed by a director of office of regulatory reform who shall report to the ~~director of~~
6 ~~the office of management and budget~~ secretary of commerce within the Rhode Island executive
7 office of commerce.

8 SECTION 3. This act shall take effect on January 1, 2014.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO STATE AFFAIRS AND GOVERNMENT -- EXECUTIVE OFFICE OF
COMMERCE

1 This act would establish a new executive office of commerce to develop an integrated
2 system of economic development activities in the state. This act would also create a secretary of
3 commerce to be appointed by the governor, to administer the office of commerce and provide
4 economic leadership for the state.

5 This act would take effect on January 1, 2014.

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