

## **RI Legislative Update**

### **March 16, 2012**

As we move through March we see an increase in activity in the General Assembly – fortunately a good deal of the concentration has been on topics and legislation that has or would not directly impacted the food industry. A couple of acceptations to this include the minimum wage legislation which had a hearing (see below) and the proposed increase in the meal tax that has been proposed in the Governor budget.

On the later, it should be noted that although it is in the proposed budget it still faces a number of questions and concerns from the legislators which must ultimately decide whether to include this in the budget, modify it, or replace this revenue generator (cut expenses or receive funding from another source) in a different manner in order to balance the budget. This being an election year an increase in such a sensitive tax could prove unpopular to candidates seeking reelection – particularly with the amount of negative publicity this has garnered so far.

Here is an update of the select bills that we are currently watching closely:

#### Minimum Wage:

H 7396 – Bennett, Guthrie, McNamara & Others – This bill would raise the minimum wage by .35 per hour effective on Jan. 1<sup>st</sup> 2013. More alarmingly this bill calls for yearly increases thereafter consistent with the cost of living. We are, of course, opposed to this bill. RIFDA testified against this bill at a hearing on February 29<sup>th</sup> and submitted a letter of opposition to the committee Chair, Anastasia Williams. Unfortunately we were the speakers in total opposition to the bill as it is written. The Hospitality Association spoke in opposition of the COLA piece but agreed the minimum wage base should be raised. We pleaded a strong case of opposition and we were approached by a few Labor committee members who understood our position.

It is hoped that if this moves forward that certain elements could be changed or other language added to recognize the total benefits package provided by a company as well as how this change would alter the base rate of scheduled increases and impacts other step raises (already above this state minimum) as well. I think there is support for potential legislation dealing with this year only and leaving out the COLA language. This has been the common practice in past minimum wage legislation. The bill was held for further study. We will continue to monitor this closely. We may need additional member support if this goes to a hearing.

### Product Stewardship:

H7027 – Walsh, Handy, Tanzi, & Others – No real change from the last updated provided. This resolution would create a five member special commission to study producer responsibility. This bill had a hearing on Feb. 2<sup>nd</sup> and a Sub A was forwarded for a House vote on Feb. 8<sup>th</sup>. The House voted to recommit back to Committee. There are different views on how this commission would be formulated and what members would have seats. We can expect other legislation to be submitted in the area of product stewardship but initial indications are that it will be in the area of mattresses.

### Pay Frequency:

H 7314 – Hearn, Marcello, Tomasso, & Rugguero – This bill would allow companies to pay employees on a less than weekly basis. There was a hearing on Feb. 7<sup>th</sup> and it was decided that this bill be held in committee for further study.

### Beverage Tax:

H 7396 – Ajello, Blazejewski, Naughton, & Others – Similar to last year's bill this would tax all sugared beverages (including all fountain drink) at a rate equal to \$1.28 per gallon (a penny an ounce. This year's bill includes detail as to where the funding would go and for what purpose. In its current form none goes to the general treasury. Surprisingly this has not been pushed as stronger as anticipated. There is no hearing scheduled.

We have met with Dr. Fine, Chief of the RI Department of Health on program options to work with the Health department on the obesity issue. A second meeting is schedule for the end of this month but there are a number of potential options to pursue with the health department that may defuse this tax issue and provide additional good will for our industry with the Health Department.

### Transportation Restrictions:

H 7294 – Malik & Morrison & S 2328 (companion bill) – This bill would not allow trucks over 4 tons to use Rt. 114 in Warren – unless they are doing so for local delivery or pick-up. This bill needs to be monitored for changes/updates or additional roads. There are no hearings scheduled in either the House or the Senate.

### E Verification:

S 2216 - Cote, Felag, Sheenan & Others - Similar to legislation submitted during previous sessions this bill would require companies with three or more employees to apply to participate in E-Verify and if accepted participate in this screening process. This bill was referred to committee and is not scheduled for a hearing.

### Allergy Awareness:

S 2127 – DiPalma, Ottiano, Perry, and Others – This act would establish “Food Allergy Awareness Program” including menu warnings signage and manager training. Although many of these requirements are already in place the definitions are not clear as to who these requirements would pertain to. Although earmarked by sponsors for restaurants this needs to be monitored. A companion bill has been introduced in the House (H7595).

After a February hearing it was determined that this bill be held for further study and no vote was taken.

### Credit Card Protection:

There was a new bill submitted in the House H 7675 – Lally – that would be a positive step for our industry. It deals with providing merchants with certain protections from rules and regulation instituted by credit card companies. Short of federal legislation on this issue this would be a small – but needed step in providing protection and regulation on credit card companies. This is scheduled for a hearing in April.

### Other Legislative Related Updates:

#### SNAP Distributions:

Our meeting outlined in a previous update with Steven Constantino – the State Secretary of Health & Human Services was postponed due to Sec. Constantino being out of the office for several days and unavailable. We hope to get back on his schedule by the end of this month and move this forward. This would be the first and most significant step to submit a formal request that the current state distribution of SNAP funds be changed, consistent with a majority of other states whereby these benefits are distributed over a 10 day period (vs. one day currently). His support for this will go a long way in moving this initiative forward.

RI Food Policy Council:

There is a meeting scheduled next week that will focus on determining what issues the council wants to address based on the commissioned study reviewed previously. They intend to establish committees (3 to 4) that would study these areas identified establish some preliminary goals and report back to the council for consideration and potential funding.

Once these topics/areas are determined we will be able to establish if we should get involved in one of these initiatives or if any of these objectives could potentially impact us – positively or negatively. Initial proposals made at the last meeting were very broad and would need to be refined in order for a committee to have success. We will continue to participate and determine how and if we need to be active with these committees and/or determine our level of involvement.