

**STATE OF RHODE ISLAND**  
IN GENERAL ASSEMBLY  
JANUARY SESSION, A.D. 2017

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AN ACT

RELATING TO FAIR TRADE -- FAIR LABOR EVERYWHERE ACT OF 2018

**Introduced By:**  
**Date Introduced:**  
**Referred To:**

**Proposed Bill:**

It is enacted by the General Assembly as follows:

SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW - GENERAL REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

**CHAPTER 6-12.1 Supply Chain Transparency Requirements**

**6-12.1-1. Short Title** -- This chapter shall be known as the "Fair Labor Everywhere Act of 2018."

**6- 12.1-2. Findings** -- The Legislature finds and declares that:

- (1) Slavery and human trafficking are crimes under state, federal, and international law.
- (2) Slavery and human trafficking exist in every country, including the United States, and the State of Rhode Island.
- (3) As a result of the criminal natures of slavery and human trafficking, these crimes are often hidden from view and are difficult to uncover and track.
- (4) In recent years, significant legislative efforts have been made to capture and punish the perpetrators of these crimes.
- (5) Significant legislative efforts have also been made to ensure that victims are provided with necessary protections and rights.
- (6) Legislative efforts to address the market for goods and products tainted by slavery and trafficking have been lacking, the market being a key impetus for these crimes.
- (7) As of September 2017, the United States Department of Labor released a report required by the Trafficking Victims Protection Reauthorization Acts of 2005 and subsequent reauthorizations which named 139 goods from 75 countries and a total of 379 items that are believed to be produced by forced labor or child labor in violation of international standards.
- (8) Consumers and businesses are inadvertently promoting and sanctioning these crimes through the purchase of goods and products that have been tainted in the supply chain.
- (9) Absent publicly available disclosures, consumers are at a disadvantage in being able to distinguish companies on the merits of their efforts to supply products free from the taint of slavery and trafficking. Consumers are at a disadvantage in being able to force the eradication of slavery and trafficking by way of their purchasing decisions.

(10) It is the policy of this state to ensure large retailers and manufacturers provide consumers with information regarding their efforts to eradicate slavery and human trafficking from their supply chains, to educate consumers on how to purchase goods produced by companies that responsibly manage their supply chains, and, thereby, to improve the lives of victims of slavery and human trafficking.

**6- 12.1-3. Definitions** For the purposes of this chapter, the following definitions shall apply:

- (1) "Engaging in business in this state" shall have the same meaning as set forth in § 44-18-23;
- (2) "Gross receipts" shall have the same meaning as set forth in §44-18-13; and
- (3) "Retailer" shall have the same meaning as set forth in §44-18-15.

**6 -12.1-4. Supply Chain Transparency and Definitions**

(a) (1) Every retail seller engaging in business in this state and having annual worldwide gross receipts that exceed one hundred million dollars (\$100,000,000) shall submit an affidavit, as set forth in subsection (c) of this section, disclosing its efforts to eradicate slavery and human trafficking from its direct supply chain for tangible goods offered for sale.

(b) The affidavit described in subsection (a) of this section shall be posted on the retail seller's or manufacturer's Internet Web site with a conspicuous and easily understood link to the required information placed on the business' homepage. In the event the retail seller or manufacturer does not have an Internet Web site, consumers shall be provided the written disclosure within thirty (30) days of receiving a written request for the disclosure from a consumer.

(c) The affidavit described in subsection (a) of this section shall, at a minimum, disclose to what extent, if any, that the retail seller or manufacturer does each of the following:

- (1) Engages in verification of product supply chains to evaluate and address risks of human trafficking and slavery. The disclosure shall specify if the verification was not conducted by a third party.
- (2) Conducts audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chains. The disclosure shall specify if the verification was not an independent, unannounced audit.
- (3) Requires direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business.
- (4) Maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.
- (5) Provides company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chains of products.
- (6) Has anywhere in its supply chain convict labor and/or forced labor and/or indentured labor and/or child labor.

SECTION 2. Chapter 44-11 of the General Laws entitled “Business Corporation Tax” is hereby amended by adding thereto the following section:

**44-11-21.1. Disclosures pursuant to supply chain transparency requirements.**

(a) Notwithstanding any provision of the general or public laws to the contrary, the division of taxation shall make available to the attorney general a list of retail sellers required to disclose efforts to eradicate slavery and human trafficking pursuant to chapter 12.1 of title 6. The list shall be based on tax returns filed for taxable years beginning on or after January 1, 2019.

(b) Each list required by this section shall be submitted annually to the attorney general by November 30, 2019, and each November 30 thereafter. The list shall be derived from original tax returns received by the division of taxation on or before December 31, 2019, and each December 31 thereafter.

(c) Each annual list required by this section shall include, for each retail seller, the name, state of incorporation, address and other contact information for any corporation that files a tax return with this state; provided, however, that such disclosure shall not include any other information, including any financial information of the corporation, pursuant to §44-11-21(c).

(d) Upon request, this annual list shall be made available, provided, however, that such disclosure shall not include any other information, including any financial information of the corporation, pursuant to §44-11-21(c).

SECTION 3. Section 1 shall take effect on January 1, 2020. Section 2 shall take effect 3 upon passage.