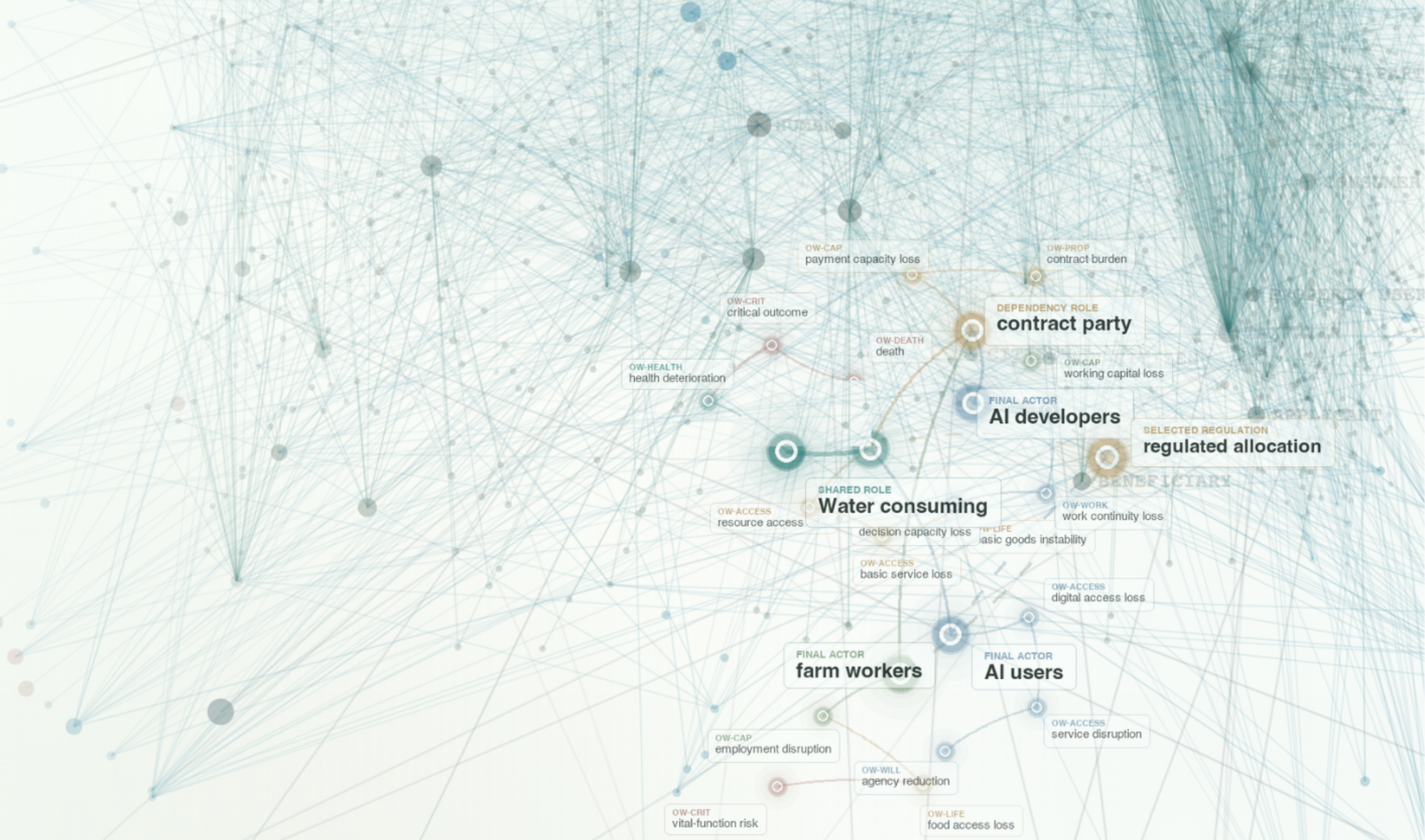

JudgeAI Lawmaking

A twenty-case study comparing final system-generated bills with historical evidence and a GPT-5.5 Extra high baseline

Twenty final bills produced by the AI Lawmaking pipeline

Empirical comparators drawn from historical legislative evidence

Substantive comparison against GPT-5.5 Extra high outputs for the same normative requests

Qualitative legal-architectural assessment

June 2026

1. Purpose and Scope

This report evaluates whether bills generated by the AI Lawmaking system correspond to empirically effective legislative practices, whether they diverge from historical practices associated with weak results or substantial adverse effects, and how their regulatory priorities compare with GPT-5.5 Extra high outputs for the same normative requests.

The report does not use numerical alignment scores. It compares the normative request, the historical legal regime, empirical evidence, the benchmark criterion, the final generated bill, and the resulting analytical fit.

2. Summary

Group	Cases	Interpretation
Historically effective practices	10	Tests whether the generated bill reproduces the operative mechanisms associated with empirical success.
Historically weak or adverse practices	10	Tests whether the generated bill avoids weak historical architectures and adopts more evidence-consistent alternatives.
Total	20	The report uses qualitative legal-empirical comparison, not numerical alignment scores.

3. Method

Each case starts with a real historical legal regime and empirical evidence about its effects. From that evidence, the benchmark identifies a legal architecture that should be reproduced in effective-practice cases or avoided in weak-practice cases. The AI-generated output reported here is the final bill text produced after the AI Lawmaking drafting pipeline, including legislative report, blueprint, bill drafting, and legislative-counsel validation.

4. GPT-5.5 Extra High Baseline

To contextualize the system results, the same twenty normative requests were also submitted to GPT-5.5 in Extra high mode through the ordinary ChatGPT web interface. The baseline prompt asked for formal bill text and did not provide the historical comparator, empirical evidence, benchmark criterion, or AI Lawmaking pipeline artifacts.

The baseline completed all 20 cases. Its average output length was 11,138 characters, compared with 54,967 characters for the final AI Lawmaking bills. Under the same strict bill-text validator used for the AI Lawmaking outputs, the ordinary ChatGPT baseline passed 0 of 20 cases, while the AI Lawmaking pipeline passed 20 of 20 cases.

The more important comparison is not formal length. In substance, the GPT-5.5 Extra high baseline often selected a familiar legislative model associated with the policy field: a tax credit for earnings support, a minimum-age rule for youth alcohol, a congestion charge for urban traffic, or assessment-based accountability for schools. AI Lawmaking more often treated the empirical failure mode or side effect as the object of regulation: revenue collapse, liquidity shock, housing-supply withdrawal, evasion incentives, excessive incarceration, or curriculum narrowing.

This difference is visible as a change in regulatory priority. The baseline tends to copy or modernize known legal templates. The AI Lawmaking pipeline more often designs around consequences: it asks which causal mechanism made the historical regime succeed or fail, then builds legal duties, triggers, safeguards, fallback rules, and monitoring around that mechanism.

Substantive Priority Comparison

Minimum drinking age

GPT-5.5 Extra high priority: Age-threshold standard and state compliance through highway-funding conditions.

AI Lawmaking priority: Traffic-safety risk control through evidence-triggered ride-first orders and mobility obligations.

Substantive difference: The baseline regulates age access; AI Lawmaking regulates the downstream crash-risk mechanism.

Earned Income Tax Credit

GPT-5.5 Extra high priority: A conventional refundable work-linked tax credit.

AI Lawmaking priority: A monthly earnings guarantee with advanceability, anti-cliff protection, and bounded reconciliation.

Substantive difference: The baseline treats the instrument as tax relief; AI Lawmaking treats it as income stabilization for working households.

Kansas tax cuts

GPT-5.5 Extra high priority: A pro-business formation and permitting agenda.

AI Lawmaking priority: A guarded economic-development regime with fiscal triggers, revenue monitoring, and protected core services.

Substantive difference: The baseline prioritizes growth facilitation; AI Lawmaking prioritizes preventing the fiscal failure mode observed in Kansas.

Three Strikes

GPT-5.5 Extra high priority: Risk-based sentencing enhancements for repeat violent offenders.

AI Lawmaking priority: Eligibility gates, revalidation hearings, capacity constraints, and alternatives to extended custody.

Substantive difference: The baseline reforms punitive incapacitation; AI Lawmaking makes liberty restriction conditional on demonstrated necessity.

Rent control

GPT-5.5 Extra high priority: Rent caps, just-cause protection, registry duties, and relocation rules.

AI Lawmaking priority: Tenant stability paired with supply-preservation offsets, pass-through rules, audits, and true-up.

Substantive difference: The baseline prioritizes incumbent tenant protection; AI Lawmaking treats housing supply response as part of the regulated problem.

Smoke-free laws

GPT-5.5 Extra high priority: A direct indoor smoking prohibition in covered premises.

AI Lawmaking priority: A default ban with a certification-gated exposure-control pathway.

Substantive difference: This is a cautionary result: AI Lawmaking shifts toward managed risk, which may weaken the empirically successful broad-ban model.

Hoy No Circula

GPT-5.5 Extra high priority: A zone-access and emissions/congestion control law.

AI Lawmaking priority: Emissions-performance licensing, repair windows, hardship protection, and anti-evasion controls.

Substantive difference: The baseline regulates trips into the zone; AI Lawmaking regulates actual emissions and household evasion incentives.

India demonetization

GPT-5.5 Extra high priority: Digital-payment access, cash transition, reporting, and cash limits.

AI Lawmaking priority: Point-of-sale cash deflection with offline tokens, same-day liquidity, and merchant safe harbors.

Substantive difference: The baseline targets the cash economy; AI Lawmaking first protects transactional liquidity while narrowing cash use.

No Child Left Behind

GPT-5.5 Extra high priority: Assessment-based accountability, targets, and school-improvement duties.

AI Lawmaking priority: Curriculum-opportunity contracts, assessment-burden limits, and continuity restoration.

Substantive difference: The baseline improves test accountability; AI Lawmaking shifts priority to opportunity to learn before sanctions.

1. Case Analysis

U.S. Clean Air Act Amendments of 1990, Title IV Acid Rain Program

Case type: historically effective practice.

Historical Legal Regime

Title IV of the 1990 Clean Air Act Amendments created a federal acid-rain control program focused primarily on sulfur dioxide emissions from coal-fired power plants. The regime established a declining aggregate emissions cap, allowance allocation, allowance trading, continuous emissions monitoring, annual allowance surrender for actual emissions, and statutory penalties for excess emissions. It operated as a measurable cap-and-trade system with federal accounting, firm-level compliance flexibility, and legally enforceable consequences.

Normative Request

Design a law for a federal jurisdiction facing acid rain and cross-state sulfur dioxide pollution from coal-fired power plants. The law must reduce emissions materially while preserving electricity reliability, limiting compliance costs, and creating administrable monitoring and enforcement mechanisms.

Empirical Evidence

EPA estimated that the 1990 Clean Air Act Amendments would prevent more than 230,000 premature deaths annually by 2020. Power-sector reporting also shows very large post-implementation emissions reductions: annual SO_2 emissions from power plants declined by roughly 95% from 1995 to 2023, while NO_x declined by roughly 89%. Acid Rain Program results also show wet sulfate deposition falling by more than 70% between the 1989-1991 and 2020-2022 periods. The empirical significance is that a binding cap, monitoring, allowance surrender, and trading flexibility produced large environmental gains with administrable compliance.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Declining emissions cap, tradable allowances, continuous emissions monitoring, clear compliance deadlines, automatic penalties, and flexibility for firms to choose abatement methods.

Generated Bill

A BILL

To reduce interstate sulfur dioxide pollution and acid deposition from covered coal-fired electric generating units, to establish a federal deposition-credit retirement and corridor-verification program, to preserve electric reliability and stabilize compliance costs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; PURPOSES; CONSTRUCTION.

(a) Short title.—This Act may be cited as the “Federal Acid-Rain Reliability Credit Clarification & Stabilized Settlement Act”.

(b) Purposes.—The purposes of this Act are—

(1) to reduce interstate sulfur dioxide pollution and acid deposition from covered coal-fired electric generating units;

(2) to preserve electric reliability while reducing compliance volatility for utilities and large customers;

(3) to establish a uniform federal compliance framework for corridor-based credit retirement, verification, emergency ledger control, settlement, reporting, and enforcement; and

(4) to provide administrable monitoring, audit, correction, and compensation mechanisms that are based on verifiable records and published methodology.

(c) Construction.—This Act shall be construed to effectuate material reductions in sulfur dioxide emissions and acid deposition while preserving electric system reliability and minimizing unnecessary compliance cost volatility.

(d) Integrated administration.—The duties, limitations, exceptions, remedies, and procedures established by this Act shall be interpreted to operate together as an integrated federal program.

(e) Limitation on implied authority.—No provision of this Act shall be construed to authorize credit generation, settlement, compensation, or compliance relief except as expressly provided in this Act.

(f) Relation to other law.—This Act shall be carried out in addition to any other applicable federal requirement, except to the extent expressly preempted under section 23.

SEC. 2. DEFINITIONS.

(a) In general.—In this Act:

(1) ADMINISTERING AUTHORITY.—The term “administering authority” means the Administrator of the Environmental Protection Agency, acting through such office, program, or officer as the Administrator may designate to administer this Act.

(2) ADJACENT NON-ELW HOUR.—The term “adjacent non-ELW hour” means an hour that is not within an Emergency Ledger Window and that immediately precedes or follows an Emergency Ledger Window hour in the same operating sequence, as determined under rules issued under this Act.

(3) AFFILIATE.—The term “affiliate” means any person that controls, is controlled by, or is under common control with another person, as determined under regulations issued under this Act.

(4) APPROVED PARAMETER SET.—The term “approved parameter set” means a set of emission, transport, meteorological, operating, receptor, or settlement parameters that has been approved by the administering authority by rule or order under this Act for use in credit generation, corridor accounting, verification, settlement, or enforcement.

(5) BANKING.—The term “banking” means the carryover of a credit or provisional credit from one compliance period to a later compliance period under the registry rules of this Act.

(6) CEMS.—The term “CEMS” means a continuous emissions monitoring system meeting the requirements established by the administering authority for sulfur dioxide monitoring under this Act.

(7) CEMS-VERIFIED SULFUR DIOXIDE MASS.—The term “CEMS-verified sulfur dioxide mass” means the mass of sulfur dioxide emitted from a covered unit, measured by CEMS and adjusted only by regulator-approved quality-assurance, calibration, and data-completeness procedures.

(8) COMPLIANCE YEAR.—The term “compliance year” means a calendar year, or such other 12-month period as the administering authority may establish by rule, beginning with the first compliance year established under section 25.

(9) CORRIDOR ADJUSTMENT BAND.—The term “corridor-adjustment band” means the maximum permissible retroactive charge, debit, or settlement correction applicable to a covered person or customer for a given compliance period under sections 13 and 14, as established by rule in a manner that limits destabilizing bill impacts and preserves statutory compliance obligations.

(10) CORRIDOR ACCOUNTING.—The term “corridor accounting” means the calculation, allocation, verification, and registry treatment of sulfur dioxide transport and deposition effects within designated transport corridors using approved parameter sets, receptor checkpoints, meteorological inputs, and any other method authorized under this Act.

(11) CREDIT.—The term “credit” means a deposition credit issued under this Act.

(12) CREDIT-HOLDER.—The term “credit-holder” means a person reflected in the federal credit registry as the holder of a credit.

(13) CREDIT-SUBSCRIPTION OPTION.—The term “credit-subscription option” means the elective settlement arrangement under section 18 under which a large customer receives quarterly settlement treatment using a standardized collar pricing protocol and such other terms as the administering authority may establish by rule.

(14) CURTAILED DISPATCH HOUR.—The term “curtailed dispatch hour” means an hour during which a covered unit would, under the otherwise-economically-feasible dispatch run defined in paragraph (31), have been dispatched but was not dispatched, in whole or in part, because of deposition-credit retirement requirements, subject to section 10.

(15) DATA-QUALITY FAILURE.—The term “data-quality failure” means any failure, degradation, interruption, loss, falsification, tampering, inaccuracy, or material incompleteness in telemetry, CEMS, stack test, fuel, operating, or registry data that prevents reliable application of this Act, as determined under rules issued under this Act.

(16) DEPOSITION CREDIT.—The term “deposition credit” means a compliance instrument issued under this Act that represents verified net sulfur dioxide abatement attributable to a covered unit and that may be retired to satisfy an annual credit retirement obligation.

(17) DEPOSITION RESPONSIBILITY SHARE.—The term “deposition responsibility share” means the share assigned to a covered unit for each applicable transport corridor that determines the unit’s annual credit retirement obligation under section 6.

(18) EMERGENCY LEDGER WINDOW OR ELW.—The term “Emergency Ledger Window” or “ELW” means any hour that falls within an enumerated NERC or ISO emergency event category identified by rule under this Act and recorded in the applicable ISO or RTO emergency closure records.

(19) EMISSION-TO-CREDIT ATTRIBUTION.—The term “emission-to-credit attribution” means the assignment of sulfur dioxide emission reductions, offsets, abatements, or related quantities to credits, provisional credits, roll-forwards, or settlement accounts under this Act.

(20) EXCEEDED, EXCEEDANCE, AND RELATED TERMS.—The term “exceedance” means a monitored or verified quantity that is above a ceiling, limit, or threshold established under this Act. A reference to “exceedance” includes a partial exceedance and a sustained exceedance unless otherwise specified.

(21) FEDERAL CREDIT REGISTRY.—The term “federal credit registry” means the electronic registry established under section 9 for issuance, tracking, transfer, banking, retirement, invalidation, suspension, recapture, and settlement of credits and provisional credits.

(22) HEAT-INPUT CEILING.—The term “heat-input ceiling” means a monthly sulfur dioxide heat-input quantity or equivalent gating proxy established under section 7 for the limited purpose described in that section.

(23) ISO/RTO.—The term “ISO/RTO” means an independent system operator, regional transmission organization, balancing authority, or other bulk-power system market or dispatch operator designated by the administering authority for purposes of this Act.

(24) MARGINAL BINDING CONSTRAINT FLAG.—The term “marginal binding constraint flag” means a recorded dispatch, outage, maintenance, transmission, reserve, or other binding constraint identifier that indicates which constraint or constraints were operative in a dispatch interval, as derived from ISO/RTO records under rules issued under this Act.

(25) MONTH.—The term “month” means a calendar month, unless the administering authority establishes a different reporting month by rule for purposes of registry administration and settlement, in which case the rule shall apply uniformly to all covered persons.

(26) PROVISIONAL CREDIT.—The term “provisional credit” means a credit issued conditionally under this Act that is not retireable unless and until the applicable verification requirements are satisfied.

(27) RECEPTOR CHECKPOINT INDEX.—The term “receptor checkpoint index” means a regulator-run or regulator-contracted wet deposition, dry deposition, sulfate proxy, or acid deposition proxy metric for a receptor zone or checkpoint used to determine directional consistency with modeled corridor deposition improvement.

(28) RECONCILIATION ACCOUNT.—The term “reconciliation account” means the pre-funded federal account established under section 17 for quarterly settlement of net compliance impacts.

(29) RESPONSIBILITY-SHARE BASELINE.—The term “responsibility-share baseline” means the published assignment, allocation, or parameter set used to determine a covered unit’s deposition responsibility share for a specified period.

(30) ROBUSTNESS TEST.—The term “robustness test” means a test under which credited net deposition improvement must hold under worst-case draws within an approved meteorology and transport confidence set.

(31) OTHERWISE-ECONOMICALLY-FEASIBLE DISPATCH RUN.—The term “otherwise-economically-feasible dispatch run” means a counterfactual dispatch case constructed from ISO/RTO records and approved model inputs showing the dispatch that would have occurred absent deposition-credit retirement requirements, while accounting for economically feasible generation alternatives and operational constraints other than the credit requirement at issue.

(32) TELEMETRY.—The term “telemetry” means digital or analog data streams used to transmit monitored emissions, stack, fuel, operating, or equipment status information to the administering authority or a registry, including associated timestamps and metadata.

(33) TELEMETRY CONFIDENCE.—The term “telemetry confidence” means the data-quality condition that the administering authority determines sufficient to rely on telemetry, CEMS, or related inputs for a given regulatory action, settlement, or credit decision.

(34) TRANSPORT CORRIDOR.—The term “transport corridor” means a geographic, atmospheric, receptor-based, or transport-model accounting unit designated by the administering authority for sulfur dioxide transport and deposition accounting under this Act.

(35) VERIFIED NET SULFUR DIOXIDE ABATEMENT.—The term “verified net sulfur dioxide abatement” means the sulfur dioxide reduction attributable to a covered unit as determined from CEMS-verified sulfur dioxide mass, regulator-verified fuel and operating parameters, and corridor accounting using approved parameter sets, net of any emissions, adjustments, or reversals required under this Act.

(36) WORST-CASE DRAW.—The term “worst-case draw” means a parameter combination within the approved meteorology and transport confidence set that produces the least favorable eligible deposition-improvement result for the applicant or covered unit.

(37) WORST-CASE DATA QUALITY.—The term “worst-case data quality” means the most conservative valid data-quality condition applicable under rules issued under this Act, including any imputation or substitution rule that prevents over-crediting in the presence of incomplete, degraded, or uncertain data.

(b) Construction.—

(1) The administering authority shall apply the defined terms uniformly across all compliance, credit, enforcement, and settlement provisions of this Act.

(2) A term used in this Act shall have the meaning assigned in this section unless otherwise specified.

(c) Technical updates.—The administering authority may, by rule, refine a technical definition in this section only to the extent necessary to conform the definition to a published technical standard, provided that the rule does not expand or narrow the scope of statutory coverage, compliance obligation, or enforcement authority.

SEC. 3. COVERAGE OF UNITS AND PERSONS.

(a) Covered unit compliance duty.—Each covered coal-fired electric generating unit shall comply with this Act.

(b) Responsible persons.—

(1) In general.—A person that owns, operates, dispatches, or controls a covered unit shall be jointly and severally responsible for obligations assigned to that unit unless this Act expressly provides otherwise.

(2) Successors and assignees.—Any successor, assignee, transferee, or affiliate that assumes compliance control for a covered unit shall assume the associated statutory duties, liabilities, reporting obligations, registry obligations, and settlement obligations under this Act.

(3) Prohibition on evasion.—A person shall not evade coverage by fragmentation, nominal transfer, temporary transfer, shared services structure, outsourcing, affiliate arrangement, dispatch delegation, or contractual recharacterization of operational control.

(c) Coverage determinations.—

(1) Registry.—The administering authority shall establish and maintain a registry of covered units and responsible persons.

(2) Determination standard.—A coverage determination shall be based on operational reality, dispatch control, emissions responsibility, and compliance control rather than nominal labels.

(3) Petition for exclusion.—A person seeking exclusion from coverage shall file a petition in the manner prescribed by the administering authority and shall bear the burden of showing that the unit or person does not meet the statutory coverage criteria.

(d) Coordination with ISO/RTO operators.—An ISO/RTO that provides dispatch records, event tags, emergency closure records, or other records under this Act shall not be treated as a covered unit solely by reason of providing such records.

(e) Ownership and control changes.—

(1) Notice.—A covered person shall notify the administering authority not later than 30 days after any change in ownership, operation, dispatch control, compliance control, or material affiliate relationship affecting a covered unit.

(2) Continuity.—The obligations of the covered unit shall continue notwithstanding a change described in paragraph (1) until the administering authority updates the registry.

(3) Transferred liability.—The administering authority may allocate obligations to the acquiring or controlling person for any compliance period in which the change occurred, subject to the procedures under this Act.

(f) Fraudulent or misleading classification.—Misclassification of a covered unit or responsible person, or submission of materially misleading ownership or control information, shall constitute a reportable compliance violation subject to correction orders, record correction, and penalties under section 22.

SEC. 4. CORRIDOR DESIGNATION AND RESPONSIBILITY SHARES.

(a) Corridor designation.—

(1) In general.—The administering authority shall designate transport corridors for sulfur dioxide accounting.

(2) Criteria.—In designating transport corridors, the administering authority shall use published criteria that account for interstate transport, receptor exposure, atmospheric transport behavior, and administrative traceability.

(3) Publication.—Corridor designations, including any modification, shall be published in the Federal Register and made available in the federal credit registry.

(b) Responsibility share assignment.—

(1) Assignment.—Each covered unit shall be assigned a deposition responsibility share for each applicable transport corridor.

(2) Basis.—The deposition responsibility share shall be based on the unit's verified contribution to corridor deposition effects, as determined under approved parameter sets.

(3) Period of applicability.—A responsibility share shall apply for the compliance period specified in the assignment instrument and shall remain in effect until lawfully revised under this Act.

(c) Use in annual obligation.—The responsibility share shall be used to determine the unit's annual credit retirement obligation under section 6.

(d) Baseline freeze.—

(1) In general.—Responsibility-share baselines shall be frozen for the statutory three-to-five-year horizon specified by rule.

(2) Versioning.—The administering authority shall assign a version number to each baseline and shall maintain the prior version in the public methodology repository.

(3) Limit on update.—Baseline updates shall occur only through defined triggers and versioned methodology under section 19.

(e) Clerical corrections.—The administering authority may correct a clerical, typographical, or mathematical error in a corridor designation or responsibility-share assignment at any time, provided that the correction does not alter substantive allocation absent notice and procedures under this Act.

(f) Reassignment on lawful trigger.—If the administering authority determines, under a trigger-based review authorized by this Act, that a corridor designation or responsibility share must be revised, the revision shall apply only prospectively unless otherwise expressly authorized by statute.

(g) Anti-gaming.—A person shall not manipulate unit scheduling, fuel purchases, dispatch nomination, ownership structure, or data inputs for the purpose of obtaining a more favorable corridor designation or responsibility share.

(h) Public methodology.—Each corridor designation and each responsibility-share assignment methodology shall be published in a form sufficient to permit independent audit and judicial review.

SEC. 5. CREDIT ELIGIBILITY AND GENERATION.

(a) Limitation on credit generation.—A deposition credit shall be generated only from CEMS-verified sulfur dioxide mass paired with regulator-verified fuel and operating parameters.

(b) Corridor accounting requirement.—A deposition credit shall be generated only through transport-corridor accounting using EPA-approved parameter sets.

(c) Prohibition on unauthorized credits.—A person shall not generate, sell, bank, pledge, retire, or otherwise rely upon a credit unless it is eligible under this section and recorded in the federal credit registry.

(d) No month-average substitution.—Month-average emissions shifts, generalized averaging, or unverified noncorridor accounting shall not create credit eligibility.

(e) Validation conditions.—

(1) The administering authority shall establish validation checks for fuel data, operating data, stack data, and transport assumptions.

(2) If any required input is missing, unverifiable, inconsistent, or subject to unresolved data-quality failure, the administering authority shall deny credit issuance until the deficiency is cured or the provisional-credit rules of this Act apply.

(f) Void credits.—

(1) In general.—A credit generated in violation of this section shall be void.

(2) Effect.—A void credit shall not be retireable, bankable, transferable, or usable for settlement.

(3) Correction.—The administering authority shall require corrective accounting for a void credit and may recapture any settlement amount associated with the void credit.

(g) Registry entry prerequisite.—A person shall not rely on a credit event unless the event is recorded as required under section 9.

(h) Technical parameter sets.—The administering authority shall not approve a parameter set that permits unsupported credit creation, evades corridor accounting, or obscures the relationship between emissions, transport, receptor effects, and abatement.

(i) Minimum data integrity.—The authority shall require minimum data-integrity controls for any source, model, or interface used in credit generation, including quality assurance, version control, and audit traceability.

SEC. 6. ANNUAL CREDIT RETIREMENT OBLIGATION.

(a) Obligation.—Each covered unit shall retire deposition credits each compliance year in an amount equal to its deposition responsibility share of verified net sulfur dioxide abatement attributable to that unit.

(b) Deadline.—A responsible person shall complete retirement by the statutory deadline established by the administering authority, which shall not be later than 90 days after the close of the compliance year unless the administering authority establishes an earlier deadline for good cause based on administrative necessity and uniform application.

(c) Provisional credits not sufficient.—A person shall not satisfy the annual credit retirement obligation with provisional credits unless those credits are later confirmed eligible under this Act and recorded as retireable credits in the federal credit registry.

(d) Statement of obligation.—

(1) The administering authority shall provide each covered unit with an annual compliance statement identifying the retirement obligation, the applicable corridor assignment, and the amount and type of credits required.

(2) The statement shall be issued in a time sufficient to permit orderly compliance, and in no event later than the schedule prescribed by rule.

(e) Partial retirement.—If a covered person retires fewer credits than required under this section, the person shall remain liable for the deficit, any applicable penalty, and any corrective order issued under section 22.

(f) Joint and several liability.—Where multiple persons are jointly and severally responsible for a covered unit, retirement by one responsible person shall not extinguish liability of any other responsible person except to the extent the retirement is recorded in the registry and credited to the obligation.

(g) Use of banked credits.—Banked credits may satisfy the annual obligation only if the credits are eligible, not provisional, not void, and not suspended.

(h) Record of retirement.—Credit retirement shall be effective only when the federal credit registry records the retirement.

(i) No waiver by settlement.—A settlement statement, reconciliation payment, or subscription election shall not waive or reduce the annual retirement obligation except as expressly provided by this Act.

SEC. 7. MONTHLY CORRIDOR VERIFICATION AND CREDIT ISSUANCE CONDITIONS.

(a) Heat-input ceiling as gating proxy.—Monthly sulfur dioxide heat-input ceilings shall serve only as a gating proxy and shall not by themselves authorize credit issuance.

(b) Independent qualifying conditions.—For each month, a credit may be issued only if at least one independent receptor/check condition is satisfied.

(c) Receptor checkpoint confirmation.—The receptor checkpoint condition is satisfied only if regulator-run or regulator-contracted receptor-monitoring checkpoint indices are directionally consistent with the modeled corridor deposition improvement for the same month, as determined under rules issued under this Act.

(d) Robustness test.—The robustness test is satisfied only if the credited net deposition improvement holds under worst-case draws within the approved meteorology and transport confidence set.

(e) Provisional credits.—If neither the receptor checkpoint confirmation nor the robustness test is satisfied, the unit shall receive only provisional credits.

(f) Non-retireability of provisional credits.—Provisional credits shall not be retired until end-of-year corridor verification confirms eligibility under section 8.

(g) Monthly evaluation.—

(1) The administering authority shall evaluate each month under both the receptor checkpoint pathway and the robustness pathway.

(2) The administering authority shall record whether the month produced eligible credits, provisional credits, or no credits, and shall provide notice to the covered person.

(h) Prohibition on substitution.—A person shall not substitute an unapproved proxy, averaged metric, or simplified scoring rule for the required monthly verification conditions.

(i) Invalid issuance.—Credits issued without satisfaction of a qualifying monthly verification condition shall be invalidated and corrected in the registry.

(j) Data submission.—A covered person shall submit monthly data by the deadline established by rule, including emissions, fuel, operating, meteorological, and receptor-related inputs necessary for monthly verification.

SEC. 8. END-OF-YEAR CORRIDOR VERIFICATION.

(a) Verification requirement.—At the end of each compliance year, the administering authority shall conduct corridor verification for each covered unit.

(b) Conversion of provisional credits.—Provisional credits shall not be retireable until end-of-year corridor verification confirms eligibility.

(c) Failure of verification.—If end-of-year verification fails, provisional credits shall expire or be adjusted according to the registry rules.

(d) Schedule and notice.—

(1) The administering authority shall publish a year-end verification schedule and data-submission deadline.

(2) The administering authority shall provide notice of the data needed to complete verification.

(e) Final determination.—The administering authority shall issue a final eligibility determination for each unit before the next compliance cycle begins.

(f) Additional information.—If the administering authority determines that the record is incomplete, the authority may require supplemental data, subject to a deadline that preserves timely final determination.

(g) Hearing on disputed verification.—A covered person may request administrative review of a proposed failure determination in the manner prescribed by the administering authority. The review shall be limited to the factual and methodological issues identified in the notice of proposed determination.

(h) Effect on annual obligation.—A provisional credit that expires or is adjusted under this section shall not be counted toward retirement except to the extent later replaced by an eligible credit and recorded in the registry.

(i) Finality and correction.—A final verification determination shall be binding unless corrected for clerical error, fraud, material omission, or lawful judicial review.

SEC. 9. FEDERAL CREDIT REGISTRY AND RECORDKEEPING.

(a) Establishment.—The administering authority shall maintain a federal credit registry.

(b) Registry contents.—The registry shall record, at a minimum—

(1) credit issuance;

(2) provisional credit status;

(3) transfer;

(4) banking;

(5) retirement;

(6) invalidation;

(7) suspension;

(8) recapture;

(9) settlement relevance; and

(10) any other event prescribed by rule.

(c) Mandatory recordation.—A person shall record generation, transfer, banking, retirement, provisional status, suspension, invalidation, and any other registry event required by this Act or by rule.

(d) Reliance limitation.—A person shall not rely on a credit event that is not recorded as required.

(e) Audit trail.—The registry shall use time-stamped entries, versioned methodology references, user identifiers, and tamper-evident audit trails.

(f) Public access.—The administering authority shall provide public access to nonconfidential registry data in a machine-readable format.

(g) Confidential information.—The administering authority may protect confidential business information only to the extent necessary and lawful, and may not withhold information required for enforcement, audit, or judicial review except to the minimum extent authorized by law.

(h) Backdated changes.—The registry shall restrict backdated changes and shall flag any change that alters prior period credits, retirements, or settlements.

(i) Record retention.—A covered person shall retain underlying records supporting each registry entry for not less than 7 years, or such longer period as the administering authority may require for a pending audit, investigation, or enforcement action.

(j) Registry corrections.—The administering authority may correct the registry only upon notice and in accordance with published correction rules, except for emergency suspension or clerical correction.

SEC. 10. RELIABILITY COMPENSATION FOR CREDIT-CONSTRAINED CURTAILED DISPATCH.

(a) Compensation entitlement.—Reliability compensation shall apply to curtailed dispatch hours when a quantified counterfactual shows that the unit would have been dispatched in an otherwise-economically-feasible dispatch run but for deposition-credit retirement requirements.

(b) Causal showing.—A person shall not claim reliability compensation for hours not shown to be causally linked to credit requirements.

(c) Calculation standard.—

(1) Compensation shall be calculated using ISO/RTO dispatch records and the counterfactual dispatch run.

(2) Compensation shall reflect only those curtailed hours, megawatt-hours, or other unit-hour measures that are demonstrably attributable to the credit requirement under rules issued by the administering authority.

(d) Same-month filing.—A compensation claim shall be filed in the same month in which the curtailed dispatch hours occur.

(e) Content of claim.—A claim under this section shall include—

(1) the relevant dispatch records;

(2) the counterfactual run outputs;

(3) the asserted causal link to credit requirements;

(4) any overlapping constraints;

(5) the requested compensation amount; and

(6) such supporting materials as the administering authority may require by rule.

(f) Notice to affected parties.—The administering authority shall provide notice of a filed claim to any person whose settlement obligation may be affected.

(g) Limit on duplicate recovery.—A person may not recover compensation under this section for the same curtailed hour more than once, and compensation shall be reduced to avoid double counting against other federal or lawful state relief programs to the extent required by rule.

(h) Recapture.—If compensation is paid on the basis of materially false, incomplete, or misleading dispatch or counterfactual data, the administering authority shall recapture the payment and may impose penalties under section 22.

(i) Coordination with settlement.—Compensation under this section shall be reflected in quarterly settlement statements, but filing and initial determination shall occur on a monthly basis.

SEC. 11. MECHANICAL PRORATION FOR OVERLAPPING CONSTRAINTS.

(a) Proration required.—Where credit constraints overlap with other binding constraints, compensation eligibility shall be prorated mechanically.

(b) Basis for proration.—The proration formula shall rely on ISO/RTO dispatch logs and marginal binding constraint flags.

(c) Prohibition on discretionary allocation.—A person shall not use discretionary allocation, retrospective negotiation, or informal estimation to increase compensation beyond the mechanically prorated amount.

(d) Formula publication.—The administering authority shall publish the proration formula in advance, shall assign a version number to the formula, and shall apply the formula uniformly to all similarly situated covered persons.

(e) Allocation of overlap.—If a curtailed dispatch hour is attributable in part to a credit constraint and in part to another binding constraint, the administering authority shall allocate compensation only to the fraction of the hour, output, or economic value attributable to the credit constraint under the published formula.

(f) Reconciliation.—The administering authority may reconcile proration determinations against later-discovered dispatch records, provided that any downward adjustment complies with notice and correction procedures under this Act and any upward adjustment is limited to the period and amount allowed by the registry rules.

(g) Auditability.—The proration method shall be auditable and reproducible from the underlying records.

(h) No presumption of sole causation.—The presence of a credit constraint during a dispatch interval shall not by itself establish entitlement to the full amount claimed if the records show overlapping binding constraints.

SEC. 12. EMERGENCY LEDGER WINDOW.

(a) Definition and identification.—The administering authority shall define an Emergency Ledger Window as hours within enumerated NERC or ISO emergency event categories.

(b) Hard ledger prohibition.—No emission-to-credit attribution shall occur during Emergency Ledger Window hours.

(c) Prohibited acts during ELW.—During an ELW, no person may—

(1) generate credits;

(2) reallocate credits at month end on the basis of ELW hours;

(3) roll forward ELW-hour quantities into another period for credit issuance; or

(4) retroactively convert ELW-hour data into credits based on later information.

(d) Emergency closure records.—The administering authority shall rely on ISO/RTO emergency closure records to identify ELW hours, and shall enter ELW determinations in the registry promptly after event closure.

(e) Limited scope.—An ELW determination shall apply only to the hours designated in the relevant emergency event record and shall not be extended by implication to other hours.

(f) No retroactive conversion.—No person shall use later telemetry, stack, or fuel data to convert an ELW-ineligible hour into an eligible credit hour.

(g) Interaction with settlement.—ELW hours shall be excluded from credit generation and credit conversion, but may be used for conservative provisional settlement under section 13.

(h) Emergency data controls.—The administering authority shall require event tagging, clock synchronization, and record preservation sufficient to prevent ELW manipulation or backdating.

SEC. 13. CONSERVATIVE PROVISIONAL SETTLEMENT FOR EMERGENCY DATA DEGRADATION.

(a) Trigger.—If telemetry or CEMS confidence is degraded during an Emergency Ledger Window, the administering authority shall apply the conservative provisional settlement rules of this section.

(b) Adjacent non-ELW hours.—The unit’s provisional credits for adjacent non-ELW hours shall be settled conservatively.

(c) Conservative imputation rule.—

(1) The administering authority shall issue a conservative imputation rule that cannot increase credit issuance beyond what would be warranted under worst-case data quality.

(2) The rule shall err against over-crediting whenever telemetry confidence is degraded or data are incomplete.

(d) Interim provisional settlement.—The administering authority shall issue an interim provisional settlement within the fixed statutory time established by rule after emergency closure.

(e) Limitation on generosity.—A person shall not demand a more generous imputation method absent statutory authorization.

(f) Correction process.—If later information shows that the conservative provisional settlement was too generous under the worst-case data-quality standard, the administering authority shall correct the settlement subject to the corridor-adjustment band and section 14.

(g) Data withholding.—If a person withholds required data during emergency conditions, the administering authority may apply adverse inferences, deny provisional treatment, and issue a corrective order.

(h) No affirmative credit expansion.—This section shall not be construed to authorize emission-to-credit attribution during ELW hours or to increase credit issuance beyond the conservative rule established under this Act.

(i) Record basis.—Conservative provisional settlement shall be based on the best available verified data, but only to the extent consistent with the worst-case data-quality standard.

SEC. 14. EMERGENCY LEDGER WINDOW CORRECTIVE ORDERS AND CHARGE CAPS.

(a) Corrective order linkage.—Corrective and cure orders for ELW data issues shall be tied to ISO/RTO emergency closure.

(b) Interim issuance.—The administering authority shall issue an interim provisional settlement before final correction if required to preserve orderly administration under this Act.

(c) Retroactive charge cap.—Retroactive charges that could destabilize customer bills shall be capped within the corridor-adjustment band.

(d) Compliance with correction orders.—A person shall comply with any ordered data correction, resettlement, or registry adjustment.

(e) Notice of basis.—The administering authority shall provide notice of the factual basis for any emergency-linked correction or charge, including the relevant event record, data-quality basis, and registry change.

(f) No waiver of compliance.—A cap under this section shall not waive an underlying obligation to correct records, settle amounts, or comply with an enforcement order.

(g) Timeliness.—The administering authority shall issue a final ELW correction determination within the time prescribed by rule after the emergency closure and completion of required information submissions.

(h) Adjustment hierarchy.—The administering authority shall first apply correction through registry adjustment, then through settlement true-up, and then, if necessary, through lawful enforcement collection, subject to the corridor-adjustment band.

SEC. 15. STAGED DATA-QUALITY ENFORCEMENT LADDER.

(a) General rule.—Upon a detect-and-notify event, the administering authority shall apply the staged data-quality enforcement ladder of this section.

(b) Step 1: detect and notify.—Upon detecting a data-quality failure, the administering authority shall—

(1) notify the covered person;

(2) apply limited provisional crediting at a regulator-set conservative default; and

(3) specify the data deficiency and the corrective action required.

(c) Step 2: suspension.—After repeated or material failures, the administering authority shall suspend new credit issuance for the affected unit until the deficiency is cured to the satisfaction of the administering authority.

(d) Step 3: full non-creditability and corrective order.—After prolonged unresolved failures, the administering authority shall impose full non-creditability and issue an operating corrective order.

(e) Thresholds.—The administering authority shall define materiality, repetition, duration, and cure thresholds by rule and shall apply them uniformly.

(f) Pattern-based aggravation.—Repeated nonconforming instrument maintenance patterns shall trigger stronger penalties than isolated accidental faults.

(g) Reliability safeguard.—The enforcement ladder shall be applied in a manner that avoids unnecessary outage risk and preserves system reliability while protecting the integrity of the credit program.

(h) Temporary operating envelope.—During steps described in subsections (b) and (c), the administering authority may require an interim operating envelope based on conservative registry assumptions and ISO/RTO records, as necessary to prevent immediate market disruption or over-crediting.

(i) Cure deadline.—The administering authority may establish a cure deadline that is reasonably calculated to restore data reliability without creating avoidable reliability risk.

SEC. 16. TELEMETRY INTEGRITY AND ANTI-MANIPULATION CONTROLS.

(a) Tamper-evident logging.—Covered persons shall maintain tamper-evident logging for telemetry and CEMS data streams.

(b) Source-integrity checks.—Covered persons shall implement source-of-data integrity checks.

(c) Prohibited conduct.—A person shall not alter, disable, falsify, conceal, obscure, or destroy telemetry inputs, logs, source records, audit trails, or associated metadata.

(d) Minimum standards.—The administering authority shall establish minimum logging, retention, authentication, chain-of-custody, and checksum standards for telemetry and data streams.

(e) Access for audit.—Telemetry integrity records and source-integrity records shall be made available for audit upon request by the administering authority or a designated auditor.

(f) Incident reporting.—A covered person shall report a material telemetry integrity incident not later than 24 hours after discovery or such shorter period as the administering authority may require for a grid emergency.

(g) Isolated failure.—An isolated sensor failure shall not be treated as intentional manipulation absent supporting evidence.

(h) Tampering consequence.—Tampering, falsification, or concealment shall support immediate audit escalation, suspension of credit issuance, and civil penalties under section 22.

(i) Maintenance patterns.—The administering authority shall treat repeated nonconforming instrument maintenance patterns as an aggravating factor for penalty and corrective-order purposes.

SEC. 17. QUARTERLY RECONCILIATION ACCOUNT.

(a) Establishment.—There is established in the Treasury of the United States a pre-funded federal reconciliation account, which shall be known as the “Reconciliation Account”.

(b) Use.—The Reconciliation Account shall be used for quarterly settlement of net compliance impacts under this Act.

(c) Quarterly settlement.—Utilities and large customers subject to settlement shall settle through the Reconciliation Account on a quarterly basis.

(d) Account operations.—The Reconciliation Account shall collect, distribute, and net compliance charges and credits according to this Act and implementing rules.

(e) Pre-funding.—

(1) The administering authority, in coordination with the Secretary of the Treasury or a designated fiscal agent, shall establish prefunding requirements sufficient to carry out the quarterly settlement process.

(2) Amounts in the Reconciliation Account shall be available without further appropriation for the purposes described in this section, subject to subsection (f) and section 24.

(f) Statements and deadlines.—The administering authority or fiscal agent shall issue quarterly settlement statements, payment notices, and remittance deadlines according to a published schedule.

(g) Failure to pay.—A covered person that fails to pay a quarterly net amount by the deadline shall be liable for late fees, collection actions, and any suspension of elective subscription treatment authorized under section 18.

(h) No substitution.—The Reconciliation Account shall not be used to waive statutory compliance obligations.

(i) Netting rules.—The administering authority shall prescribe uniform netting rules for charges, credits, compensation, recapture, and corrections to prevent duplicative billing or duplicative recovery.

SEC. 18. CREDIT-SUBSCRIPTION OPTION AND COLLAR PRICING.

(a) Authorization.—Large customers may elect a credit-subscription option if authorized by the administering authority.

(b) Election requirements.—The administering authority shall establish the customer eligibility criteria, election window, minimum term, and election form for the credit-subscription option.

(c) Collar pricing protocol.—Settlement under the credit-subscription option shall use a standardized collar pricing protocol.

(d) Purpose of collar.—The collar pricing protocol shall dampen the effects of responsibility-share re-baselining events.

(e) No elimination of obligation.—The collar pricing protocol shall not eliminate actual compliance responsibility; it shall only limit volatility within bounds prescribed by rule.

(f) Boundaries and adjustments.—The administering authority shall publish the collar bounds, settlement formula, and any transition adjustment applicable to a changed responsibility-share baseline.

(g) Binding effect.—An election under this section shall be binding for the applicable period unless the governing rules provide a lawful termination or transfer event.

(h) Default treatment.—A large customer that does not elect the credit-subscription option shall be settled under the standard quarterly reconciliation rules of this Act.

(i) Breach of subscription terms.—A customer that breaches subscription terms may be returned to standard settlement treatment and assessed any unpaid amounts, subject to notice and correction procedures.

(j) Transition protections.—The administering authority shall structure subscription transitions to reduce bill shock and to avoid sudden redistribution of costs from a baseline update.

SEC. 19. RESPONSIBILITY-SHARE BASELINE FREEZE AND VERSIONING.

(a) Freeze period.—Responsibility-share baselines shall be frozen for the statutory three-to-five-year horizon specified by rule.

(b) Version control.—The administering authority shall publish model versions, baseline versions, and all applicable methodology versions in the public methodology repository.

(c) Limits on updates.—Baseline updates shall occur only through defined triggers and versioned methodology.

(d) Trigger-based updates.—The administering authority may update a responsibility-share baseline only if the update is authorized by a trigger identified in rule, including a material clerical correction, a verified data integrity correction, a lawful corridor redesign, or a statutory review event.

(e) No mid-horizon re-baselining absent trigger.—A person shall not demand a mid-horizon re-baselining absent a lawful trigger.

(f) Notice and smooth transition.—Any lawful update shall include notice and a smooth collar transition to prevent redistribution shocks.

(g) Retroactivity prohibition.—A baseline update shall not be applied retroactively except for clerical correction or express statutory authorization.

(h) Comparative consistency.—Version control shall preserve comparability across compliance years and shall identify changes affecting settlement, retirement, or compensation calculations.

(i) Public access.—The administering authority shall make baseline versions and associated change logs available in the public methodology repository, subject to lawful confidentiality protections.

SEC. 20. RULEMAKING, TECHNICAL STANDARDS, AND PUBLIC METHODOLOGY.

(a) Rulemaking required.—The administering authority shall promulgate rules for corridor accounting, receptor verification, robustness testing, registry operations, proration, settlement, data quality, and emergency procedures.

(b) Publication prerequisite.—Technical standards shall be published before they are used to impose obligations.

(c) No unpublished methodology.—A person shall not be bound by unpublished compliance methodology.

(d) Notice and comment.—Except as otherwise expressly provided in this Act, rules under this Act shall be issued through notice-and-comment rulemaking.

(e) Public repository.—The administering authority shall maintain a public repository of current and prior methodology versions, including approved parameter sets, formula versions, and effective dates.

(f) Version numbering.—Each technical standard, formula, and parameter set used under this Act shall bear a version number and effective date.

(g) No expansion by guidance.—Guidance may not create a substantive obligation not authorized by statute or rule.

(h) Emergency issuance.—The administering authority may issue an emergency rule only if necessary to implement sections 12 through 16 promptly after an emergency event, and any such rule shall be limited to the minimum scope necessary and shall be subject to later notice-and-comment adoption or ratification.

(i) Judicial review.—A rule or methodology that exceeds statutory authority shall be subject to judicial review under applicable law.

(j) Interagency coordination.—The administering authority may consult with the Department of Energy, the Federal Energy Regulatory Commission, the Secretary of the Treasury, ISO/RTO operators, and the Inspector General, as necessary to implement this Act, but no interagency consultation shall diminish a statutory duty imposed by this Act.

SEC. 21. REPORTING, AUDIT, AND TRANSPARENCY.

(a) Reporting obligations.—Covered persons shall submit required monthly, quarterly, and annual reports.

(b) Monthly reports.—Monthly reports shall include, at a minimum, emissions data, corridor verification inputs, provisional credit status, ELW-related data if any, and any other information required by rule.

(c) Quarterly reports.—Quarterly reports shall include settlement information, reconciliation account amounts, proration claims, and any correction or recapture action affecting the quarter.

(d) Annual reports.—Annual reports shall include retirement compliance, corridor verification status, final credit determinations, audit certifications, and any baseline-related issue requiring future review.

(e) Audit authority.—The administering authority shall audit registry entries, credit issuance, retirement records, settlement transactions, telemetry integrity records, and compliance reports.

(f) Risk-based audits.—The administering authority may prioritize audits based on data-quality indicators, unusual credit generation patterns, nonconforming maintenance patterns, late filings, or cross-corridor inconsistencies.

(g) Public reporting.—The authority shall publish nonconfidential compliance summaries and audit findings.

(h) Confidential information.—Public reporting shall not disclose information that would materially compromise grid security, protected proprietary information, or legally protected confidential information beyond what is necessary to explain the basis of enforcement, settlement, or public compliance status.

(i) Supplemental requests.—The administering authority may require supplemental documentation where risk indicators warrant audit escalation.

(j) False reporting.—False, omitted, or materially misleading reports shall be subject to penalties, correction orders, recapture, and suspension of credit eligibility under section 22.

(k) Audit access.—The administering authority and any designated auditor shall have access, at reasonable times and in a reasonable manner, to underlying records, source data, and supporting documentation necessary to verify reports submitted under this section.

SEC. 22. ENFORCEMENT, PENALTIES, AND REMEDIES.

(a) Enforcement authority.—The administering authority shall enforce compliance through corrective orders, civil penalties, recapture, disallowance of credits, suspension, and other remedies authorized by law.

(b) Corrective orders.—A person shall comply with a lawful corrective order.

(c) Credit challenges.—A person shall not continue to bank, transfer, or retire credits that are subject to an outstanding validity challenge if the administering authority has suspended them.

(d) Remedies for invalid credits.—If the administering authority determines that a credit is invalid, void, suspended, or erroneously retired, the administering authority may—

(1) require replacement credits;

(2) require recapture of settlement amounts;

(3) impose civil penalties;

(4) disallow banking or transfer;

(5) require additional reporting; and

(6) issue any other lawful corrective order.

(e) Penalty factors.—In determining a civil penalty or corrective remedy, the administering authority shall consider the type, duration, materiality, and recurrence of the violation, the degree of fault, the effect on reliability, the effect on downwind deposition, and the extent of cooperation in curing the violation.

(f) Persistent noncompliance.—Persistent noncompliance may trigger enhanced sampling, suspension of credit privileges, operating limits, or other lawful restrictions.

(g) Relation to cure period.—The administering authority shall give notice and an opportunity to cure where curing is feasible and consistent with immediate risk control.

(h) Recapture.—Any payment, settlement credit, or compensation obtained on the basis of materially false, incomplete, or misleading information shall be subject to recapture.

(i) Separate violations.—A violation of recordkeeping, telemetry integrity, reporting, credit retirement, settlement, or corrective order requirements shall constitute a separate violation to the extent the facts support a separate act, omission, or time period.

(j) No limitation on other law.—This section does not limit any civil, criminal, administrative, or equitable remedy otherwise available under law.

(k) Suspension effect.—During any period of suspension under this section, a person shall not bank, transfer, sell, pledge, or retire credits that are suspended or under challenge, except as expressly authorized for corrective replacement or recapture.

SEC. 23. RELATION TO OTHER LAW; PREEMPTION.

(a) Relation to existing law.—This Act shall be construed to operate in addition to, and not in lieu of, any other applicable federal requirement unless this Act expressly provides otherwise.

(b) Express preemption.—To the extent necessary to preserve uniform corridor accounting, credit retirement, Emergency Ledger Window controls, settlement rules, registry integrity, and associated enforcement under this Act, this Act preempts any State or local law, rule, requirement, or order that conflicts with this Act or with regulations promulgated under this Act.

(c) Nonconflicting state measures.—Nothing in this Act shall be construed to prohibit a State or political subdivision from adopting, implementing, or enforcing a measure that is more stringent than this Act if the measure does not conflict with the corridor accounting, credit retirement, emergency ledger control, settlement, registry, or enforcement requirements of this Act.

(d) Federal standards not reduced.—Nothing in this Act shall be construed to reduce any obligation under another federal statute or regulation unless this Act expressly provides for a specific modification.

(e) Savings clause.—Except to the extent preempted under subsection (b), all other lawful State and local requirements remain in effect.

(f) Uniform administration.—The administering authority shall apply this Act uniformly across all covered units and persons, subject to the specific exceptions and adjustments expressly provided in this Act.

SEC. 24. APPROPRIATIONS AND AUTHORIZATION OF EXPENDITURES.

(a) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this Act, including amounts for corridor designation, receptor checkpoint monitoring, registry operations, audit activities, technical rulemaking, settlement administration, enforcement, and public reporting.

(b) Use of funds.—Amounts appropriated or otherwise made available to carry out this Act may be used for—

(1) operating the federal credit registry;

(2) maintaining the Reconciliation Account and settlement systems;

(3) receptor checkpoint monitoring and verification;

(4) technical modeling, versioning, and public methodology maintenance;

(5) audit and enforcement activities;

(6) training and technical assistance; and

(7) such other activities as are necessary to administer this Act.

(c) Fiscal agent support.—The Secretary of the Treasury, or another Federal fiscal agent designated by law, may provide administrative support for the Reconciliation Account and quarterly settlement process under rules jointly issued with the administering authority, to the extent consistent with applicable fiscal law.

(d) Contracting authority.—The administering authority may enter into contracts, cooperative agreements, grants, or interagency agreements to the extent necessary to carry out this Act, subject to applicable procurement law.

(e) Inspector General review.—The Inspector General of the Environmental Protection Agency, or another designated audit authority, shall conduct periodic reviews of the integrity of registry operations, settlement administration, and enforcement practices under this Act.

SEC. 25. TRANSITION AND IMPLEMENTATION SCHEDULE.

(a) Initial rules.—Not later than 180 days after the date of enactment of this Act, the administering authority shall issue initial rules covering coverage determinations, registry operations, corridor designation procedures, reporting, emergency ledger controls, and data-quality standards.

(b) Corridor and parameter publication.—Not later than 270 days after the date of enactment of this Act, the administering authority shall publish initial corridor designations, approved parameter sets, receptor checkpoint protocols, robustness test methods, and the registry interface.

(c) Baseline publication.—Before the first compliance year begins, the administering authority shall publish the first frozen responsibility-share baseline and the applicable model version.

(d) Initial reporting commencement.—Monthly reporting and provisional verification shall begin on the first day of the first compliance year after final rule adoption.

(e) Settlement commencement.—Quarterly reconciliation account settlement shall begin no later than the first quarter following program launch.

(f) Emergency controls.—Emergency ledger controls and conservative provisional settlement procedures shall become operative on the effective date for covered units.

(g) First annual verification.—The first annual corridor verification and final credit retirement reconciliation shall occur at the end of the first compliance year.

(h) Transition for existing obligations.—The administering authority may provide transitional procedures for units subject to existing federal compliance obligations, provided that the procedures do not eliminate the requirements of this Act and are limited to administrative coordination, schedule alignment, and avoidance of duplicative record submission.

(i) Temporary compliance assistance.—The administering authority may provide technical assistance, filing extensions of limited duration, or registry onboarding assistance during the transition period, provided that any extension does not extend a statutory deadline beyond what this Act expressly permits.

(j) Interim compliance orders.—During the transition period, the administering authority may issue interim compliance orders necessary to preserve program integrity, provided that such orders are consistent with this Act and are not retroactive except as expressly authorized.

SEC. 26. SEVERABILITY.

If any provision of this Act, any amendment made by this Act, any application of such provision or amendment, or any technical methodology or implementation rule issued under this Act is held invalid, the remainder of this Act, the remaining amendments made by this Act, the remaining applications of such provision or amendment, and the remaining provisions of any implementing rule shall not be affected.

SEC. 27. EFFECTIVE DATE.

(a) In general.—Except as otherwise provided in this Act, this Act shall take effect on the date of enactment.

(b) Delayed operative dates.—The administering authority may delay the operative date of a specific reporting, registry, or settlement provision only to the extent expressly authorized by section 25 or by rule issued under this Act for implementation that does not conflict with a statutory deadline.

(c) Immediate effect for emergency and integrity provisions.—Sections 12, 13, 14, 15, and 16 shall take effect on the date of enactment with respect to all covered units, covered persons, ISO/RTO operators, and registry participants.

(d) Ongoing applicability.—Any duty, liability, or enforcement authority arising under this Act shall apply to conduct occurring on or after the effective date, and to continuing violations to the extent recognized under applicable law.

Analytical Comparison

The generated bill creates binding quantitative obligations, credit retirement, monitoring, corridor verification, reliability safeguards, enforcement, and reporting. It is not a literal copy of the historical allowance-trading system, but it implements the same core architecture: measurable limits, monitored compliance, flexible mechanisms, and legal consequences for noncompliance.

2. Case Analysis

U.S. Earned Income Tax Credit expansions

Case type: historically effective practice.

Historical Legal Regime

The Earned Income Tax Credit is a refundable tax credit for working households. Its amount depends on earned income, filing status, and number of qualifying children. Major expansions increased the value of the credit for families with children while preserving the link between support and formal labor-market participation. The regime is administered through the tax system, with eligibility verification, phase-in and phase-out rules, and refundability for households with low or no income-tax liability.

Normative Request

Design a law for a national legislature seeking to reduce in-work poverty among low-income households with children while increasing formal labor-force participation and avoiding large work disincentives.

Empirical Evidence

Hoynes and Patel estimate that the 1993 EITC expansion increased employment among single mothers by 6.1 percentage points. Research reviews link the EITC to higher labor-force participation among low-income mothers, particularly those with lower education and young children. Policy-impact estimates also indicate that after accounting for reduced use of other transfers, each $1,000 of mechanical payments to single women cost the government materially less than the gross payment amount. The evidence supports a refundable, earnings-linked architecture rather than a transfer disconnected from work.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Refundable earned-income wage supplement phased in with earnings, targeted to low- and moderate-income workers, with phaseout rules, child/family adjustments, tax administration, anti-fraud safeguards, and periodic evaluation.

Generated Bill

A BILL

To establish a monthly earnings-linked support program for households with dependent children, to improve income stability and formal labor-force participation while limiting work disincentives, to provide for prompt activation, bounded reconciliation, due process, fiscal controls, employer reporting, privacy, administration, appropriations, relation to existing law, severability, and related purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE AND PURPOSE.

(a) Short title.—This Act may be cited as the “Monthly Earnings Guarantee with Child Stability Add-on Act”.

(b) Establishment of program.—The Secretary of the Treasury, acting through the Internal Revenue Service and in coordination with the Secretary of Health and Human Services, the Secretary of Labor, and other appropriate heads of Federal agencies, shall establish and administer a monthly earnings-linked support program for households with dependent children.

(c) Purpose.—The purposes of this Act are—

(1) to reduce in-work poverty among low-income households with dependent children;

(2) to improve income stability for working households with children;

(3) to support formal labor-force participation and continued employment;

(4) to limit large work disincentives by preserving the net return to additional verified earnings within the statutory phase-out structure;

(5) to provide prompt activation of monthly support when eligibility is established;

(6) to allow provisional payment when payroll information is delayed;

(7) to bound repayment exposure, recovery shocks, and administrative enforcement;

(8) to protect due process, privacy, and data security; and

(9) to maintain fiscal discipline through a nationwide fiscal envelope and prospective-only parameter adjustment authority.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTERING AUTHORITIES.—The term “administering authorities” means—

(A) the Secretary of the Treasury, acting through the Internal Revenue Service and such other offices as the Secretary may designate, for earnings verification, payment processing, reconciliation, recovery, and fiscal administration;

(B) the Secretary of Health and Human Services, for household eligibility administration and family-status determinations;

(C) the Secretary of Labor, for employer reporting standards and compliance coordination;

(D) the Comptroller General of the United States, for audits and evaluation to the extent authorized by law;

(E) any independent appeals body or administrative tribunal designated under section 14; and

(F) the head of any Federal agency designated by the President to oversee privacy, data security, and retention under section 20.

(2) ADVANCEABLE MONTHLY GUARANTEE; AMG.—The term “Advanceable Monthly Guarantee” or “AMG” means the monthly benefit described in section 6.

(3) ATTEMPTED APPLICATION.—The term “attempted application” means an application that is filed in substantially complete form but requires correction, supplementation, or verification.

(4) ATTESTED EARNINGS.—The term “attested earnings” means a statement of monthly earnings made under penalty of perjury, in a form prescribed by regulation, that is permitted only when payroll data are missing or late beyond the maximum latency period established under section 10.

(5) CHILD STABILITY ADD-ON; CSA.—The term “Child Stability Add-on” or “CSA” means the supplemental amount described in section 7.

(6) CONCLUSIVE DETERMINATION.—The term “conclusive determination” means a final administrative determination based on the record then available, made after reasonable notice and opportunity to be heard, that is not subject to further monthly offset under section 11(d) with respect to the disputed item.

(7) CURRENT VERIFIED MONTHLY EARNINGS.—The term “current verified monthly earnings” means the verified monthly earnings for the month for which the calculation is made, as determined under section 5.

(8) DEPENDENT CHILD.—The term “dependent child” means an individual who—

(A) has not attained 18 years of age; or

(B) has not attained 19 years of age and is a full-time student in elementary or secondary education or an equivalent program,

and who is claimed or may be claimed as a dependent under the rules prescribed by regulation and in a manner consistent with this Act.

(9) ELIGIBILITY CONFIRMATION.—The term “eligibility confirmation” means the written or electronic administrative determination that a household satisfies the eligibility criteria in section 4 for the relevant month.

(10) ELIGIBLE HOUSEHOLD.—The term “eligible household” means a household that satisfies the requirements of section 4 for the month at issue.

(11) E_avg.—The term “E_avg” means the earnings measure described in section 5(a).

(12) FORMAL EARNINGS.—The term “formal earnings” means earnings from employment or self-employment that are reported through payroll, withholding, tax, wage, or other records prescribed by regulation and capable of verification under this Act.

(13) GMI_children.—The term “GMI_children” means the child-related guaranteed minimum income amount established under section 6(b).

(14) GOOD-FAITH MONTH.—The term “good-faith month” means a month for which the household provided information that was materially complete and not intentionally false, and for which any inaccuracy resulted from omission, timing, administrative error, payroll latency, employer reporting error, or other non-intentional cause.

(15) HOUSEHOLD.—The term “household” means an individual or group of individuals living in a single economic unit, as determined by regulation, that includes at least one potential recipient and any dependent child of such unit.

(16) IMPLEMENTATION DATE.—The term “implementation date” means the date described in section 25(b).

(17) INTENTIONAL MISREPORTING.—The term “intentional misreporting” means a material false statement, concealment, or omission made knowingly and for the purpose of obtaining or retaining benefits under this Act in an amount greater than that to which the household was entitled.

(18) MAXIMUM LATENCY.—The term “maximum latency” means the maximum period after the close of a payroll period by which employer payroll data must ordinarily be received before provisional payment under section 10 is authorized, as established by regulation.

(19) MONTH.—The term “month” means a calendar month, unless the Secretary of the Treasury, by regulation, prescribes a payroll-aligned month for limited administrative purposes that does not reduce beneficiary rights under this Act.

(20) PAYROLL-VERIFIED EARNINGS RECORD.—The term "payroll-verified earnings record" means a record of earnings received from an employer, payroll processor, tax filing, withholding record, or comparable source, in a form sufficient for verification under regulations issued under this Act.

(21) PHASE-OUT REGION.—The term "phase-out region" means the earnings range established under section 8(c) within which the sum of the AMG and CSA may not decline as a result of an increase in verified monthly earnings, except as expressly permitted under this Act and subject to the withdrawal-rate ceiling.

(22) PROVISIONAL AMG.—The term "provisional AMG" means an advance payment made under section 10 before final payroll verification for a month is complete.

(23) PROVISIONAL AMOUNT.—The term "provisional amount" means the amount of AMG paid for a month under section 10 before reconciliation.

(24) ROLLING 12-MONTH PERIOD.—The term "rolling 12-month period" means the 12 consecutive months ending in the month for which a recovery or limitation is calculated.

(25) SECRETARY.—The term "Secretary" means the Secretary of the Treasury, unless another Secretary is expressly identified.

(26) VERIFIED MONTHLY EARNINGS.—The term "verified monthly earnings" means the amount of earnings for a month established by payroll-verified earnings records, tax records, employer reporting, or attested earnings accepted under this Act.

(27) WITHDRAWAL-RATE CEILING.—The term "withdrawal-rate ceiling" means the maximum rate, expressed as a percentage or equivalent slope, at which total support under this Act may be reduced as verified monthly earnings increase beyond the phase-out region, as established under section 8(b).

SEC. 3. ESTABLISHMENT OF MONTHLY EARNINGS GUARANTEE PROGRAM.

(a) Establishment.—The Secretary, in coordination with the Secretary of Health and Human Services and the Secretary of Labor, shall establish and administer a monthly earnings-linked support program for households with dependent children, to be known as the Monthly Earnings Guarantee with Child Stability Add-on program.

(b) Administration.—The administering authorities shall administer the program in a manner that—

(1) provides monthly support;

(2) uses payroll-based verification to the maximum extent practicable;

(3) permits prompt activation upon job start and eligibility confirmation;

(4) allows provisional payments when payroll information is delayed;

(5) minimizes repayment shocks by bounding reconciliation;

(6) preserves the net return to additional verified earnings; and

(7) applies the fiscal controls established by this Act.

(c) No annual lump-sum catch-up model.—The administering authorities shall not administer the program by an ordinary annual lump-sum catch-up model. Reconciliation shall be conducted only as provided in sections 11 and 12.

(d) Monthly administration.—The program shall be calculated, paid, reconciled, and adjusted on a monthly basis, except that payroll reporting and recovery may be aligned to pay periods for administrative convenience so long as monthly entitlements are not diminished.

(e) Non-displacement of statutory protections.—No application form, enrollment step, verification practice, payment interface, or reconciliation process may be used to diminish the eligibility, monotonicity, due process, privacy, or recovery protections established by this Act.

SEC. 4. ELIGIBILITY.

(a) In general.—A household shall be eligible for support under this Act for a month only if the household satisfies each of the following requirements for that month:

(1) The household has at least one dependent child.

(2) The household has at least one payroll-verified month of formal earnings in the prior 12 months.

(b) Denial of eligibility.—The administering authority shall deny eligibility for any month in which the household fails to satisfy both requirements described in subsection (a).

(c) Application and verification.—

(1) A household seeking support under this Act shall submit child-dependency information, identity information, and earnings information in the form prescribed by regulation.

(2) The Secretary of Health and Human Services shall verify child-dependency status by reference to available Federal records, State records, tax records, school records, court orders, or other documentary evidence prescribed by regulation.

(3) The Secretary of the Treasury shall verify formal earnings by payroll-verified earnings records, tax records, wage records, or attested earnings accepted under section 10.

(4) If a household presents reasonably available evidence of eligibility and payroll records are temporarily unavailable, the administering authority shall accept a temporary attestation sufficient to prevent wrongful denial pending verification.

(d) Continuing eligibility.—A household shall not be required to submit a new application for each month if the household remains eligible and no disqualifying change has been verified.

(e) Written determination.—Any denial or termination of eligibility shall be made in writing, shall state the factual basis for the determination, and shall include notice of appeal rights under section 14.

(f) Change in circumstances.—A household shall report any material change affecting dependent-child status, household composition, or earnings information in the manner and within the time prescribed by regulation, but no late report shall be used to deny a month unless the administering authority establishes that the household was not eligible for that month.

SEC. 5. MONTHLY EARNINGS MEASURE.

(a) Calculation of E_avg.—For each month, the administering authority shall calculate E_avg as the lesser of—

(1) current verified monthly earnings; and

(2) the three-month rolling average of verified monthly earnings.

(b) Use of earnings measure.—The administering authority shall use E_avg, and not annualized earnings, for monthly benefit computation under this Act.

(c) Transitional calculation when fewer than 3 months are available.—If fewer than 3 months of verified monthly earnings are available for a household, the Secretary shall establish by regulation a transitional method that uses the available verified months and any attested earnings accepted under section 10, provided that the transitional method shall not be less favorable to the household than a method based solely on verified months then available.

(d) No annualized ordinary reconciliation.—The administering authorities shall not use a method that produces a lump-sum annual catch-up as the ordinary reconciliation model for support under this Act.

(e) Calculation records.—The Secretary of the Treasury shall maintain auditable records showing, for each monthly determination—

(1) the earnings inputs used;

(2) the calculation of E_avg;

(3) the resulting AMG and CSA;

(4) any provisional amounts paid;

(5) any later corrections; and

(6) the basis for any adjustment.

(f) Comparable treatment.—The same calculation rules shall apply to similarly situated households, except as expressly modified by transitional rules authorized by this Act.

SEC. 6. ADVANCEABLE MONTHLY GUARANTEE.

(a) Establishment of benefit formula.—For each eligible household and each month, the AMG shall equal—

AMG = max(0, GMI_children − E_avg).

(b) Child-related guaranteed minimum income amount.—

(1) The Secretary, in consultation with the Secretary of Health and Human Services and the Director of the Office of Management and Budget, shall establish by regulation the value of GMI_children.

(2) The amount established under paragraph (1) shall be set within the fiscal envelope in section 15 and shall be adjusted only in accordance with sections 16 and 17.

(3) In establishing GMI_children, the Secretary shall consider household size, number of dependent children, regional cost variation if authorized by statute, inflation if authorized by regulation, and available appropriations.

(c) Monthly calculation.—The AMG shall be calculated each month.

(d) Advance payment.—The AMG shall be advance payable when eligibility is confirmed.

(e) Floor at zero.—The AMG may not be reduced below zero, except that overpayments may be recovered only in accordance with sections 11 and 12.

(f) Administrative implementation.—The Secretary shall issue procedures for prompt monthly issuance of AMG through direct deposit, tax-account crediting, payroll adjustment, or another method that ensures timely payment and minimizes household disruption.

(g) Prospective operation.—The AMG formula shall apply prospectively to the month for which support is determined, and no household shall be required to forfeit a lawfully determined month solely because of later administrative timing.

SEC. 7. CHILD STABILITY ADD-ON.

(a) Establishment.—The Secretary of Health and Human Services shall establish a Child Stability Add-on for eligible households.

(b) Eligibility for CSA.—A household shall receive CSA for a month if the household satisfies the child stability criteria established by this Act and regulation and remains an eligible household for that month.

(c) Small fluctuations excluded.—The CSA shall not be reduced for small fluctuations in earnings.

(d) Lagged exit requirement.—CSA reductions shall occur only after 12 consecutive months of verified earnings consistently above the CSA eligibility threshold.

(e) Monthly tracking.—

(1) The administering authority shall track the 12-consecutive-month condition month by month.

(2) The authority shall preserve CSA status unless the condition in subsection (d) has been satisfied.

(3) The month in which the 12th consecutive qualifying month is completed shall be identified in the record before any reduction takes effect.

(f) No shorter exit period.—The administering authorities shall not, by regulation, contract, guidance, or otherwise, impose an exit period shorter than 12 consecutive months.

(g) Reporting.—The Secretary of Health and Human Services shall include in annual reports the number of households receiving CSA, the number exiting CSA, and the average duration of CSA receipt.

(h) Construction.—The CSA shall be treated as a separate support component for administrative purposes, but shall be integrated into the total support calculation for purposes of the monotonicity and withdrawal-rate requirements of section 8.

SEC. 8. MONOTONICITY AND WITHDRAWAL-RATE CEILING.

(a) Formal monotonicity rule.—For an eligible household, an increase in verified monthly earnings shall weakly increase or leave unchanged the sum of AMG and CSA within the phase-out region.

(b) Withdrawal-rate ceiling.—

(1) Beyond the phase-out region, the withdrawal of support shall remain strictly linear.

(2) The withdrawal-rate ceiling shall not exceed 40 percent, unless amended by subsequent Act of Congress.

(3) The Secretary shall ensure that the scheduled withdrawal of support does not exceed the ceiling established under paragraph (2).

(c) Phase-out region.—

(1) The Secretary shall establish by regulation a phase-out region that begins at a phase-out start threshold and ends at the point at which support reaches zero under the linear schedule.

(2) The phase-out region shall be structured so that the increase in total support is nondecreasing with respect to increases in verified monthly earnings within that region, subject to the formula established in section 6 and the addon structure in section 7.

(3) The Secretary shall not establish a phase-out region that creates a new cliff in support at a monthly earnings threshold.

(d) No hidden withdrawal.—The administering authorities shall not use offsets, implicit recapture rules, fee deductions, account holds, or equivalent mechanisms that have the effect of increasing the withdrawal rate above the statutory ceiling.

(e) Parameter testing.—Before implementing any change to the phase-out region or withdrawal-rate ceiling, the Secretary shall conduct a simulation and compliance test confirming that the proposed change preserves the requirements of this section.

(f) Effective marginal return.—Rules issued under this Act shall be designed so that, within the phase-out region and subject to the approved formula, additional verified work does not reduce combined support through hidden or indirect mechanisms.

SEC. 9. ACTIVATION SERVICE-LEVEL REQUIREMENT.

(a) Prompt activation.—If a household becomes eligible through job start and submits—

(1) child-dependency status; and

(2) at least one payroll-verified earnings record,

AMG activation shall begin for the first payroll period after eligibility confirmation.

(b) Eligibility confirmation deadline.—The Secretary shall confirm eligibility and initiate first payment not later than the first payroll period after the Secretary receives the information required under subsection (a), except that the Secretary may extend the confirmation period only for a documented identity verification issue not attributable to ordinary administrative delay.

(c) No delay for later disputes.—The administering authority shall not delay activation because disputes exist for later months.

(d) No unrelated prerequisites.—The administering authority shall not require completion of unrelated administrative steps as a condition of activation.

(e) Confirmation notice.—Upon receipt of the information required under subsection (a), the Secretary shall issue a confirmation notice stating—

(1) the date of receipt;

(2) the date on which activation will begin;

(3) the household's reporting obligations;

(4) the appeal rights applicable to any later adverse determination; and

(5) the contact information for assistance.

(f) Administrative tracking.—The Secretary shall record any activation delay and the reason for the delay, including whether the delay was attributable to the household, the employer, the payroll processor, or the administering authority.

(g) Emergency access.—The Secretary shall establish a procedure that permits a household to obtain prompt provisional access to monthly support where the household has submitted the required information and the remaining verification is delayed solely by administrative processing.

SEC. 10. PAYROLL-FEED LATENCY SAFE HARBOR.

(a) Provisional payment authorized.—If employer payroll data are missing or late beyond the maximum latency established by regulation, the household shall receive a provisional AMG.

(b) Basis for provisional AMG.—The provisional AMG shall be computed from—

(1) last-verified earnings; or

(2) attested earnings,

as determined under regulations issued by the Secretary.

(c) No retroactive suspension for late data.—The Secretary shall not retroactively suspend provisional months solely because payroll data arrive late.

(d) Reconciliation of later payroll data.—Later payroll data shall be reconciled under section 11 and shall be subject to the recovery limits in that section.

(e) Employer or system failure.—A payroll reporting failure attributable to the employer, a payroll processor, or a system error shall not interrupt provisional payment to an otherwise eligible household.

(f) Safe-harbor period.—The Secretary shall establish by regulation the maximum latency and any associated safe-harbor period, provided that the period shall be sufficient to prevent ordinary payroll delays from causing interruption of monthly support.

(g) Logging and review.—Late-reporting patterns shall be logged for compliance review, but such logging shall not, by itself, create a presumption of household ineligibility or intentional misreporting.

(h) Household protection.—A household shall not lose eligibility or otherwise be penalized for the sole reason that payroll information required for verification was not transmitted on time by a person other than the household.

SEC. 11. RECONCILIATION AND BOUNDED FUTURE-CREDIT RECOVERY.

(a) Formula reconciliation.—Corrections from overpayment or underpayment shall be made by formula reconciliation.

(b) Minimum final net credit.—No month's final net credit shall be reduced below 75 percent of the provisional amount for that month.

(c) Rolling recovery cap.—Total recovery across any rolling 12-month period shall not exceed 20 percent of the total AMG paid in that rolling period.

(d) Dispute period and conclusive determination.—

(1) If a dispute remains unresolved for 90 days after notice under section 14, the administering authority shall resolve the disputed item under a conclusive determination standard.

(2) Unresolved items after the 90-day period shall not further reduce the household's next-month credit.

(3) A conclusive determination shall not be used to impose a recovery greater than allowed under subsections (b) and (c), unless intentional misreporting is proven under section 12.

(e) Installment recovery.—Any recovery under this section shall be collected through installments, offsets, or other methods approved by regulation, provided that the methods do not violate the limits in subsections (b) and (c).

(f) Written notice.—Before any recovery action, the Secretary shall provide written notice stating—

(1) the basis for the proposed recovery;

(2) the amount of the proposed recovery;

(3) the calculation used;

(4) the applicable caps;

(5) the right to appeal; and

(6) the date by which the household must respond.

(g) Reconciliation ledger.—The Secretary shall maintain a reconciliation ledger for each household showing every adjustment, the month to which the adjustment relates, and the cap applied.

(h) No lump-sum arrears event.—Reconciliation under this section shall not be administered as a lump-sum arrears event for ordinary monthly fluctuations in earnings or payroll timing.

SEC. 12. GOOD-FAITH TREATMENT AND INTENTIONAL MISREPORTING.

(a) Good-faith non-retroactivity.—A month classified as a good-faith month shall not later be retroactively escalated to intentional misreporting for that same month absent new evidence meeting the evidence standard.

(b) Evidence standard.—For purposes of subsection (a), new evidence shall be evidence that—

(1) was not reasonably available at the time of the original classification; and

(2) establishes, by clear and convincing evidence, that the household knowingly made a material false statement, concealment, or omission for the purpose of obtaining or retaining benefits under this Act.

(c) Penalties limited to proven intentional misreporting.—Repayment penalties shall apply only to proven intentional misreporting.

(d) Least punitive correction.—For non-fraud errors, the Secretary shall use the least punitive correction available consistent with this Act, including prospective correction, installment recovery within statutory caps, or waiver if authorized by regulation and consistent with law.

(e) Classification record.—The Secretary shall classify each disputed month as good-faith, unverified, or intentional only after review of the evidence and shall provide written notice of the classification decision.

(f) No fraud presumption from latency.—No presumption of intentional misreporting shall arise solely from payroll latency, missing records, system error, or ordinary reporting mistake.

(g) Relation to recovery caps.—A finding under this section shall not authorize recovery beyond the caps set forth in section 11, except to the extent expressly required by other applicable law.

SEC. 13. AUDIT LIMITS AND ENFORCEMENT BOUNDS.

(a) Risk-scored audits authorized.—The Secretary may conduct risk-scored audits of eligibility, earnings, and payment records under this Act.

(b) Maximum audit rate.—

(1) The Secretary shall establish by regulation a maximum audit rate that applies to households participating in the program.

(2) The maximum audit rate shall be bounded by statute and shall not exceed a rate that the Secretary determines, based on published findings, is necessary to maintain program integrity without creating a de facto eligibility barrier.

(c) Administrative cost per dollar of detected overpayment.—

(1) The Secretary shall establish by regulation a maximum administrative cost per additional dollar of detected overpayment.

(2) Audit selection, staffing, and review methods shall be designed so that the average administrative cost per additional dollar of detected overpayment does not exceed the applicable maximum.

(d) Audit purpose and limits.—

(1) Audit activity shall be directed to compliance review.

(2) Audit activity may not become a de facto eligibility barrier or a routine condition of continued participation.

(3) No audit shall delay otherwise timely provisional payment except to the minimum extent necessary to prevent duplicate payment in the same month.

(e) Penalties.—Repayment penalties shall be imposed only in accordance with section 12(c).

(f) Publication.—The Secretary shall publish annual audit performance metrics, including—

(1) the number of audits initiated;

(2) the number of audits completed;

(3) the rate of detected overpayments;

(4) the average administrative cost per detected dollar;

(5) the number of households found to have intentionally misreported; and

(6) the number of household determinations reversed on appeal.

(g) Risk controls.—The audit system shall use objective indicators of inconsistency, duplicate claims, and verified reporting anomalies, and shall not rely on protected characteristics or generalized suspicion.

SEC. 14. APPEALS AND CONTINUATION OF PROVISIONAL CREDITS.

(a) Appealability.—Every audit-based adjustment, recovery determination, eligibility denial, termination, or classification decision under this Act shall be appealable.

(b) Continuation pending appeal.—Provisional credits shall continue pending appeal.

(c) No immediate clawback acceleration.—The Secretary shall not accelerate clawback while a timely appeal is pending.

(d) Hearing procedures.—

(1) The appeals body shall provide reasonable notice and an opportunity to be heard.

(2) The household may present documentary evidence, testimony, payroll records, attestation, and any other evidence authorized by regulation.

(3) A hearing may be conducted by telephone, video, or in person, as determined by the appeals body.

(e) Decision requirement.—The appeals body shall issue a written decision stating findings of fact, conclusions of law, and the relief granted or denied.

(f) Substantial compliance.—No appeal shall be dismissed solely for a minor procedural defect if the household substantially complies with filing requirements.

(g) Assistance.—The administering authorities shall ensure that appeal forms, notices, and instructions are available in accessible formats and in the principal languages used by program participants, as determined by regulation.

(h) No retaliation.—A household shall not be retaliated against or subjected to a different audit or payment schedule solely because the household filed an appeal.

SEC. 15. NATIONWIDE FISCAL ENVELOPE.

(a) Establishment.—There is established a nationwide AMG fiscal envelope.

(b) Forecasting.—The Secretary of the Treasury shall forecast outlays against the fiscal envelope on the schedule prescribed by regulation.

(c) Consecutive forecast trigger.—If projected outlays exceed the fiscal envelope for 2 consecutive forecasts, the future-only stabilizer in section 16 shall be triggered.

(d) Existing entitlements preserved.—Already entitled months shall remain payable under the prior parameters until the next statutory adjustment date.

(e) Certification.—Each forecast shall be certified by the Secretary of the Treasury using published assumptions and methods and shall be transmitted to Congress, the Comptroller General, and the Office of Management and Budget.

(f) Public availability.—The certification and summary methodology for each forecast shall be made publicly available, except that information prohibited from disclosure by law shall be redacted.

(g) Fiscal envelope administration.—The fiscal envelope shall constrain future parameter setting and shall not be used to cancel, delay, or reduce a month for which entitlement has already been lawfully confirmed, except as expressly authorized by sections 11 and 12.

SEC. 16. FUTURE-ONLY STABILIZER AND PARAMETER ADJUSTMENT LIMITS.

(a) Future-only adjustment authority.—If section 15(c) is triggered, only future parameters may be adjusted.

(b) Authorized adjustment limits.—Future adjustments shall be limited to one or both of the following:

(1) reducing the phase-out start threshold by not more than the defined proportion established by regulation within the limits of this Act; and

(2) tightening the withdrawal-rate ceiling by not more than the defined proportion established by regulation within the limits of this Act.

(c) Stepwise implementation.—Parameter changes under this section shall be gradual and stepwise at fixed intervals established by regulation.

(d) No new cliff.—No parameter change under this section may create a new benefit cliff.

(e) Prospective application only.—Any parameter adjustment under this section shall apply only to months beginning on or after the next statutory adjustment date and shall not reduce already entitled months.

(f) Invalid excess.—Any adjustment exceeding the statutory limit shall be void to the extent of the excess.

(g) Compliance review.—Before implementing any future parameter adjustment, the Secretary shall certify in writing that the adjustment complies with this section and section 8.

(h) Publication.—The Secretary shall publish any future adjustment, together with the supporting forecast and certification, not later than 30 days before the adjustment date, except that a shorter period may be used only to the extent required by a court order or other law.

SEC. 17. REVIEW, EVALUATION, AND INTERIM EVIDENCE TRIGGERS.

(a) Formal review.—A formal review of the program shall occur 5 years after the implementation date and at subsequent intervals established by Congress.

(b) Review content.—The review shall assess—

(1) work participation and retention;

(2) monthly income stability;

(3) repayment events and recovery amounts;

(4) audit outcomes and error rates;

(5) fiscal outlays against the fiscal envelope;

(6) distribution of benefits; and

(7) administrative timeliness.

(c) Interim evidence triggers.—Interim evidence triggers may adjust only future parameters within the limits of sections 15 and 16.

(d) No mid-year suspension.—The Secretary shall not impose mid-year eligibility suspension through review action.

(e) Review report.—The Secretary shall submit to Congress and make public a report containing—

(1) the review findings;

(2) any recommended prospective parameter changes;

(3) the evidence relied upon;

(4) the expected fiscal impact of recommended changes; and

(5) any implementation issues identified.

(f) Standard for interim trigger.—An interim evidence trigger may be used only if objective evidence shows that the relevant program metrics have worsened beyond a statistically defined threshold and the adverse trend has persisted for 2 consecutive measurement periods, as prescribed by regulation.

(g) No retroactive reduction.—No review finding or interim trigger may authorize retroactive reduction of lawful benefits already paid absent proof of intentional misreporting under section 12.

(h) Evaluation transparency.—The Secretary shall publish evaluation methodologies and anonymized summary statistics to the maximum extent consistent with law.

SEC. 18. EMPLOYER PAYROLL REPORTING DUTIES.

(a) Standard payroll reporting.—Employers shall submit standard payroll data through existing channels for covered workers.

(b) No special point-of-sale charge.—Employers shall not be required to impose a special point-of-sale charge under this Act.

(c) No obstruction.—Employers shall not obstruct employee access to payroll verification, including by refusing to provide wage statements, withholding records, correction notices, or other records required by law or regulation.

(d) Corrections.—Employers shall correct known payroll errors within the time prescribed by existing law or regulation.

(e) Third-party processors.—An employer may satisfy its reporting duties through an approved third-party payroll processor, provided that the employer remains responsible for ensuring compliance with this section.

(f) Data minimization.—The Secretary of Labor shall prescribe payroll data requirements limited to information necessary for administration of this Act and existing payroll law.

(g) Willful noncompliance.—The Secretary of Labor may assess penalties for willful payroll reporting noncompliance under existing enforcement standards and any additional authority provided by law.

(h) Access to records.—An employee or household seeking benefits under this Act shall be entitled, to the extent provided by law, to reasonable access to payroll information necessary to verify earnings for purposes of eligibility, activation, and reconciliation.

SEC. 19. SMALL-FIRM INTEGRATION SUPPORT.

(a) Reimbursement authorized.—The Secretary of the Treasury shall reimburse defined integration costs for small firms.

(b) Eligible costs.—Eligible costs shall be limited to costs directly tied to compliance with the payroll interface requirements of this Act, including software adaptation, interface testing, secure transmission setup, and limited staff training.

(c) Documentation.—The Secretary may require documentation of eligible costs before reimbursement.

(d) Cap.—Reimbursement under this section shall not exceed the amount authorized in appropriations and any cap established by regulation consistent with this Act.

(e) No open-ended subsidy.—This section shall not be construed to create an open-ended employer subsidy.

(f) Annual report.—The Secretary shall report annually on total reimbursement spending, the number of employers assisted, and average reimbursement amounts.

(g) Simplified claim process.—The Secretary shall establish a streamlined claim process for small firms, including electronic submission and standard categories of reimbursable costs.

SEC. 20. PRIVACY, DATA SECURITY, AND RETENTION.

(a) Data collection limit.—The administering authorities shall collect only data necessary to administer this Act.

(b) Security standards.—The administering authorities shall store covered data using security standards established by regulation and existing law.

(c) Restriction on disclosure.—The administering authorities shall not disclose household-level data except as authorized by law.

(d) Notice of data use.—At application and at each material change in data practices, the administering authorities shall provide a notice describing the categories of data collected, the purposes for collection, the retention period, and the categories of persons to whom data may be disclosed.

(e) Retention schedule.—The administering authorities shall destroy, archive, or anonymize records in accordance with a retention schedule established by regulation and consistent with law.

(f) Limited sharing.—Data sharing shall be limited to agencies performing functions under this Act or performing functions expressly authorized by law related to tax administration, child support enforcement, benefits administration, program integrity, or auditing.

(g) De-identified data.—The administering authorities shall use de-identified data when feasible for oversight, evaluation, and public reporting.

(h) Enforcement.—Unauthorized disclosure shall be subject to applicable civil, administrative, or criminal penalties under existing law.

(i) Access controls.—The administering authorities shall maintain role-based access controls, audit logs, and breach response procedures for all covered data systems.

SEC. 21. SAVINGS, RELATION TO EXISTING LAW, AND SEVERABILITY.

(a) Savings and relation to existing law.—This Act shall supplement, and to the extent of conflict shall control over, any inconsistent provision of existing law governing the covered monthly benefit.

(b) Preservation of greater protections.—Nothing in this Act shall be construed to reduce any greater protection under another law unless that law expressly requires coordination.

(c) Coordination with other benefits.—The administering authorities shall coordinate the benefits under this Act with other Federal benefits in a manner that avoids unlawful duplication and prevents unintended losses of benefits to the maximum extent consistent with law.

(d) Existing remedies unaffected.—Except as expressly provided in this Act, existing administrative, civil, or criminal remedies under Federal law shall remain available.

(e) Conforming actions.—The administering authorities shall identify any inconsistent forms, rules, procedures, or guidance and shall propose conforming amendments or replacements not later than 180 days after the enactment date.

(f) Severability.—If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the remainder of this Act, and the application of the remaining provisions of this Act to any person or circumstance, shall not be affected to the extent that the remaining provisions can be given effect without the invalid provision or application.

(g) Construction.—This Act shall be construed, to the maximum extent permitted by law, to preserve monthly support, prospective operation, due process, privacy, monotonicity, the withdrawal-rate ceiling, and the future-only adjustment structure.

SEC. 22. RULEMAKING.

(a) Authority.—Each administering authority may issue such regulations as are necessary to implement this Act.

(b) Limit on regulatory authority.—No regulation issued under this Act may alter eligibility, monotonicity, fiscal limits, audit bounds, due process protections, or the recovery caps established by this Act.

(c) Required subjects.—Regulations shall specify, at a minimum—

(1) calculation details for E_avg, AMG, and CSA;

(2) proof standards for earnings and child dependency;

(3) maximum latency for payroll-feed safe harbor;

(4) payment timing and payment methods;

(5) appeal procedures;

(6) audit selection criteria in general terms;

(7) reconciliation mechanics;

(8) documentation standards for attestation; and

(9) privacy and retention procedures.

(d) Notice and comment.—Proposed regulations shall be published for notice and comment in accordance with applicable administrative procedure law, except that emergency regulations may be issued only to the extent authorized by existing law and shall remain consistent with the protections in this Act.

(e) Emergency rules.—Any emergency rule shall be temporary and shall not override the core beneficiary protections set forth in sections 4 through 17.

(f) Void excess.—A regulation or provision of regulation that exceeds the authority of this Act shall be void to the extent of the excess.

(g) Supplemental guidance.—The administering authorities may issue interpretive guidance, forms, notices, and technical specifications consistent with this Act and regulations issued under this section, provided that such guidance shall not create new substantive eligibility conditions or reduce statutory protections.

SEC. 23. APPROPRIATIONS AND DEDICATED FUNDING.

(a) Authorization and appropriation.—There are hereby authorized to be appropriated, and appropriated to the extent provided in appropriations Acts, such sums as may be necessary to carry out this Act, subject to the fiscal envelope in section 15.

(b) Dedicated account.—Program payments shall be made from a dedicated account established for this Act or an equivalent appropriated fund designated for such purpose.

(c) Costs chargeable to program funds.—Administrative costs, reimbursement costs under section 19, audit costs, appeal costs, privacy and security costs, and evaluation costs shall be charged to authorized program funds as provided by law.

(d) Segregation of funds.—The Secretary of the Treasury shall segregate funds used for program payments from unrelated expenditures.

(e) Obligation control.—The Office of Management and Budget shall ensure that obligations and outlays are tracked separately for program payments, administration, and reimbursements.

(f) No reduction of entitled months through funding administration.—No funding mechanism, allotment, or apportionment shall be used to deny already entitled monthly benefits except as expressly authorized by sections 15 and 16 or by a fraud determination under section 12.

(g) Availability.—Amounts appropriated or made available for this Act shall remain available to the extent necessary for timely payment, reconciliation, appeal administration, and program operations as provided by law.

SEC. 24. REPORTING, OVERSIGHT, AND PUBLIC ACCOUNTABILITY.

(a) Annual reports.—Not later than 1 year after the implementation date and annually thereafter, the Secretary shall submit to Congress and make public a report on the administration of this Act.

(b) Contents.—Each report under this section shall include—

(1) participation levels;

(2) average monthly benefits;

(3) activation timeliness;

(4) provisional payment rates;

(5) reconciliation amounts;

(6) recovery rates;

(7) appeal outcomes;

(8) audit rates and audit yield;

(9) employer compliance rates;

(10) integration reimbursement expenditures;

(11) privacy incidents, if any; and

(12) fiscal outlays against the fiscal envelope.

(c) Data limitations.—Reports under this section shall use aggregated or de-identified data to the maximum extent consistent with law.

(d) Oversight access.—The Comptroller General and any inspector general with jurisdiction shall have access, subject to applicable law, to records necessary to conduct audits, evaluations, and oversight of the program.

(e) Corrective action plans.—If annual reporting reveals material implementation failure, the Secretary shall submit a corrective action plan describing prospective administrative remedies consistent with this Act.

SEC. 25. EFFECTIVE DATE; TRANSITION.

(a) Effective date.—Except as otherwise provided in this Act, this Act shall take effect on the date of enactment.

(b) Implementation date.—The administering authorities shall begin full operational implementation not later than 180 days after the date of enactment.

(c) Interim implementation period.—During the period beginning on the date of enactment and ending on the implementation date, the administering authorities shall—

(1) promulgate initial regulations;

(2) establish payment interfaces;

(3) establish privacy and security controls;

(4) establish appeal procedures;

(5) establish payroll reporting standards;

(6) establish the provisional payment mechanism;

(7) establish the audit and reconciliation systems; and

(8) notify employers and potential participants of their duties and rights under this Act.

(d) Transition of eligible households.—The Secretary shall provide for transition of eligible households into the program in a manner that—

(1) permits application before the implementation date;

(2) permits eligibility determinations based on reasonably available records;

(3) ensures no wrongful loss of support due solely to administrative transition delay; and

(4) allows provisional payment where payroll data are pending.

(e) First review timing.—The 5-year review required by section 17 shall be measured from the implementation date.

(f) Conforming adjustments to existing administrative systems.—The Secretary may make temporary conforming adjustments to existing administrative systems during the transition period, provided that such adjustments do not diminish any protection established by this Act.

(g) Rule continuity.—Existing rules or guidance inconsistent with this Act shall remain in effect only to the extent not inconsistent with this Act and only until superseded by regulations issued under section 22.

(h) Initial public notice.—Not later than 60 days after enactment, the administering authorities shall publish an initial public notice describing eligibility, application procedures, payroll reporting requirements, provisional payment procedures, appeal rights, and contact points for assistance.

(i) Transitional no-harm rule.—During the transition period, no household otherwise eligible under this Act shall experience a reduction in support solely because a required administrative system has not yet been fully deployed.

SEC. 26. CLERICAL AND CONFORMING PROVISIONS.

(a) Clerical authority.—The Secretary may make such clerical and technical corrections as are necessary to carry out this Act, provided that such corrections do not alter substantive rights or obligations.

(b) Conforming references.—Any reference in regulations, forms, or guidance to a program or benefit established by this Act shall be deemed to refer to the program established under this Act.

(c) Technical amendments.—The administering authorities shall submit proposed technical amendments necessary to align existing forms and procedures with this Act not later than 180 days after enactment.

SEC. 27. ANTI-RETALIATION AND NONDISCRIMINATION IN ADMINISTRATION.

(a) Anti-retaliation.—No employer, administering authority, contractor, or other person administering this Act shall retaliate against a household or worker for seeking benefits, submitting an appeal, providing attested earnings, or reporting a payroll error.

(b) Nondiscrimination.—Administration of this Act shall be carried out without discrimination on the basis of race, color, national origin, sex, disability, religion, age, or any other characteristic protected by applicable Federal law.

(c) Complaint procedures.—The administering authorities shall provide a procedure for filing and resolving complaints under this section.

SEC. 28. FRAUD REFERRAL AND RECOVERY COORDINATION.

(a) Fraud referral.—Where the Secretary has reasonable grounds to believe intentional misreporting occurred, the Secretary may refer the matter for civil, administrative, or criminal action as authorized by law.

(b) Recovery coordination.—Any recovery or penalty arising from intentional misreporting shall be coordinated with section 11 so that the household is not subject to duplicative recovery for the same month except as otherwise required by law.

(c) No presumption.—A referral under this section shall not by itself establish intentional misreporting or authorize immediate clawback acceleration absent the procedures required by this Act.

SEC. 29. PERFORMANCE STANDARDS.

(a) Timeliness standards.—The Secretary shall establish performance standards for application processing, eligibility confirmation, provisional payment, appeal resolution, and reconciliation.

(b) Publication.—The Secretary shall publish annual performance results against those standards.

(c) Corrective administration.—If performance standards are missed, the Secretary shall implement corrective action measures that do not reduce statutory rights under this Act.

SEC. 30. SUNSET OF EMERGENCY AUTHORITY.

Any emergency rule, temporary adjustment, or transitional administrative measure issued under this Act shall terminate when superseded by final regulations or on the date determined by the Secretary under law, but in no case shall such authority be used to diminish the substantive protections established by this Act.

Analytical Comparison

The generated bill uses an earnings-linked refundable household credit with phase-in, phase-out, anti-cliff protections, verification, reconciliation, and administrative safeguards. This tracks the empirically effective EITC logic: support is connected to work, targeted to low-income households, and administered through a verifiable payment system.

3. Case Analysis

U.S. National Minimum Drinking Age Act / state MLDA-21 laws

Case type: historically effective practice.

Historical Legal Regime

The National Minimum Drinking Age Act of 1984 created a federal fiscal incentive for states to adopt a minimum age of 21 for alcohol purchase and public possession. The mechanism linked a portion of federal highway funding to state adoption of a compatible age regime. The legal regime combined a clear age threshold, retail compliance duties, enforcement of purchase and public possession rules, inter-state coordination, and traffic-safety reporting.

Normative Request

Design a law to reduce alcohol-related deaths and serious injuries among drivers aged 18 to 20, while preserving administrability across states and focusing enforcement on purchase, public possession, and impaired-driving risk.

Empirical Evidence

NHTSA estimated that minimum drinking-age laws saved 538 lives in 2017 and that MLDA-21 laws saved 31,959 lives from 1975 through 2017. Public-health literature links the higher drinking age to reduced youth alcohol-related crashes and related harms. The empirical logic is tied to a clear access rule, retail enforcement, and traffic-safety monitoring rather than education alone.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Minimum legal purchase/public-possession age of 21, state adoption incentives, enforcement-support laws, impaired-driving enforcement, seller compliance checks, and public reporting of youth crash outcomes.

Generated Bill

A BILL

To reduce alcohol-related deaths and serious injuries among drivers aged 18 through 20 by establishing a closed, evidence-based ride-first safety order, to require state-authorized safe-return capacity, to provide narrow retailer recordkeeping duties, to create expedited review and reporting requirements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the State of ____ in Legislature assembled, or by the appropriate legislative authority of the jurisdiction, that:

SEC. 1. SHORT TITLE; LEGISLATIVE FINDINGS.

(a) Short title.—This Act may be cited as the “Interstate Ride-First Impairment Reduction Act”.

(b) Findings.—The legislature finds and declares the following:

(1) Alcohol-related deaths and serious injuries among drivers aged 18 through 20 may be reduced by bounded, evidence-coded safe-return intervention rather than broad criminalization of possession.

(2) Enforcement shall be tied to closed evidentiary triggers and service availability rather than open-ended discretionary suspicion.

(3) A time-limited, state-authorized safe-return obligation, issued only upon objectively documented evidence, provides an administrable method of preventing immediate impaired driving without creating an indefinite access penalty.

(4) Minimum ride-service capacity, fallback dispatch procedures, expedited review, and annual outcome evaluation are necessary to ensure that a safe-return duty operates uniformly and is available in practice.

(5) Narrow retailer recordkeeping duties may support corroboration of qualifying conduct without imposing broad retailer liability for downstream driving conduct.

(c) Rule of construction.—This section shall be used to construe this Act narrowly to the extent necessary to preserve its closed evidentiary structure, service-centered operation, and bounded enforcement.

SEC. 2. DEFINITIONS.

As used in this Act, unless the context otherwise requires:

(a) “Administrative authority” means the department, agency, office, or official designated under Section 14 to administer the provisions of this Act, including issuance, service, review, correction, reporting, and recordkeeping functions.

(b) “Approved safe-return service” means a ride voucher, dispatch authorization, contracted ride, escort authorization, or equivalent state-authorized mobility mechanism that prevents the covered driver from driving during the restriction period.

(c) “Brief intervention appointment” means a standardized appointment of not more than 60 minutes, delivered in person or by telehealth, that includes risk screening, safety planning, and harm-reduction counseling, and that is scheduled and documented under Section 11.

(d) “Closed evidentiary trigger” means a trigger for a Ride-First Eligibility Order that may be satisfied only by the evidence expressly specified in Sections 4 and 5, and not by intuition, generalized suspicion, or unenumerated circumstances.

(e) “Covered driver” means a person who:

(1) is 18 years of age or older and has not attained 21 years of age; and

(2) is operating or attempting to operate a motor vehicle on a public highway, street, road, parking area open to the public, or other location subject to the jurisdiction of this Act.

(f) “Evidentiary chemical result” means a breath, blood, urine, or other chemical test result obtained in compliance with the evidentiary testing protocol established by rule under this Act and showing a measured alcohol concentration at or above the statutory per se threshold.

(g) “Fallback dispatch” means the tele-authorized alternative pickup or equivalent safe-return arrangement required under Section 9 when ordinary ride-service capacity is exhausted or temporarily unavailable.

(h) “Lawful stop” means a temporary detention or stop of a motor vehicle or driver supported by an independent legal basis under generally applicable traffic, safety, licensing, or criminal law, and not based on generalized alcohol suspicion alone.

(i) “Per se chemical result” means an evidentiary chemical result at or above the statutory per se threshold established by law or rule for evidentiary impairment proceedings for persons covered by this Act.

(j) “Restriction period” means the fixed period during which a Ride-First Eligibility Order remains in effect, which shall be 24 hours unless extended under Section 11.

(k) “Ride-First Eligibility Order” means the bounded administrative order issued under Section 6 that requires a covered driver to arrange, accept, or remain subject to an approved safe-return service during the restriction period.

(l) “Retailer” means a person or entity licensed or otherwise authorized under state law to sell, deliver, or provide beverage alcohol at retail.

(m) “Retailer token log” means the record maintained by a retailer under Section 15 that captures the transaction identifier, attempted-transaction identifier, age-verification identifier, timestamp, and any other coded data required to corroborate Trigger A.

(n) “Safe return” means completion of an approved safe-return service or equivalent mobility mechanism under the order without driving by the covered driver during the restriction period.

(o) “Standardized evidence packet” means the complete set of records, forms, checklists, timestamps, identity confirmations, and attached or linked supporting records required under Section 13 as a condition precedent to issuance of a Ride-First Eligibility Order.

(p) “Standardized refusal” means a refusal, after advisement required by law, to submit to an evidentiary chemical test following a lawful stop and documented on the prescribed refusal form.

(q) “Statutory per se threshold” means the alcohol concentration threshold established by law or rule for evidentiary impairment proceedings for persons covered by this Act.

(r) “Trigger A” means the purchase and public-possession evidence trigger established in Section 4.

(s) “Trigger B” means the impaired-driving-risk evidence trigger established in Section 5.

(t) “Public-access possession” means possession of beverage alcohol in a public place, in a motor vehicle, or in another location designated by law or rule as accessible for immediate consumption or readily accessible drinking, including possession that is not secured in a locked trunk, locked container, or similarly inaccessible compartment when such securing is required by law or rule.

(u) “Ordinary ride-service capacity” means the ordinary live capacity of approved safe-return service providers to fulfill a Ride-First Eligibility Order within the service window established under Section 8.

(v) “Service window” means the period, not to exceed 60 minutes after issuance of a Ride-First Eligibility Order, within which the state must make an approved safe-return service available under Section 8 or 9.

(w) “Open-container condition” means the presence of beverage alcohol in an open or unsealed container, or in another condition that makes the beverage alcohol immediately drinkable, as determined by the location rule and checklist established by rule under this Act.

(x) “Identity confirmation” means a verification of the covered driver’s identity by government-issued identification, biometric, or other state-approved method, as prescribed by rule.

(y) “Dispatch registry” means the current registry of approved safe-return service providers, fallback contacts, and routing procedures maintained under Section 8.

(z) “Outlet availability metric” means the recorded geographic, temporal, and operational measure of safe-return service availability established under Section 8.

(aa) “State-authorized safe return” means an approved safe-return service operated, contracted, designated, or authorized by the state or its designee.

(bb) “Retained record” means a record preserved for the statutory retention period established by Section 15 or by rule.

SEC. 3. SCOPE AND APPLICABILITY.

(a) Covered persons.—This Act applies only to covered drivers.

(b) Covered conduct.—This Act applies only to the conduct expressly described in Sections 4 and 5.

(c) No broad criminalization of purchase or possession.—This Act does not broadly criminalize off-premises purchase or public possession of beverage alcohol outside the statutory trigger framework established by this Act.

(d) No general status offense.—No person shall be subject to a Ride-First Eligibility Order solely by reason of age, prior lawful purchase, lawful presence at a licensed venue, or possession not within the circumstances described in Trigger A or Trigger B.

(e) Ordinary traffic enforcement preserved.—Nothing in this Act precludes ordinary traffic, safety, licensing, open-container, or impaired-driving enforcement when the evidentiary requirements for Trigger A or Trigger B are not satisfied.

(f) Construction against expansion.—No provision of this Act shall be construed to authorize a general alcohol-surveillance program, a generalized intoxication stop program, or a discretionary access-status system beyond the closed evidentiary triggers established in this Act.

SEC. 4. TRIGGER A: PURCHASE AND PUBLIC-POSSESSION EVIDENCE.

(a) Authorization to initiate Trigger A.—An officer may initiate Trigger A only if all of the following conditions are satisfied:

(1) the officer observes an open-container condition or public-access possession condition consistent with the location rule established by rule under this Act;

(2) the stop or contact is otherwise lawful; and

(3) a retailer token log or equivalent record corroborates a recent attempted or completed purchase tied to the same person within the statutory time window established by rule under subsection (d).

(b) No reliance on unrecorded suspicion.—An officer shall not rely on intuition, generalized alcohol-service context, or an unrecorded suspicion alone to initiate Trigger A.

(c) Standardized checklist.—For each purported Trigger A, the officer shall complete the standardized checklist prescribed under Section 13, and the checklist shall affirmatively identify each of the following:

(1) the observable facts supporting the open-container condition or public-access possession condition;

(2) the lawful basis for the stop or contact;

(3) the identity confirmation of the person subject to the order;

(4) the retailer token log or equivalent corroborating record; and

(5) the time difference between the observable condition and the corroborating record.

(d) Statutory time window.—The corroborating purchase or attempted-purchase record required under subsection (a)(3) shall be within the time window established by rule, which shall not exceed 2 hours before the stop or contact unless a shorter period is required by existing law for a narrower evidentiary category.

(e) Location rule.—The administrative authority shall establish by rule a mechanically checkable location rule defining when beverage alcohol is deemed accessible or immediately drinkable for purposes of this section. The rule shall be objective, published before enforcement begins, and capable of field application without open-ended discretion.

(f) Failure of proof.—If any element of subsection (a) is not satisfied, Trigger A shall not be deemed satisfied, and no Ride-First Eligibility Order shall issue under this section.

(g) Evidence preservation.—The officer shall attach or link the retailer token log and all required supporting records to the standardized evidence packet under Section 13.

SEC. 5. TRIGGER B: IMPAIRED-DRIVING-RISK EVIDENCE.

(a) Authorization to initiate Trigger B.—An officer may initiate Trigger B only if, after a lawful stop, the officer obtains either:

(1) a per se chemical result; or

(2) a standardized refusal.

(b) No generalized impairment impression.—An officer shall not initiate Trigger B on generalized impairment impressions alone.

(c) Required advisement and documentation.—Before a standardized refusal may be recorded under subsection (a)(2), the officer shall provide the advisement required by existing law and shall document the advisement on the prescribed refusal form.

(d) Evidentiary protocol.—An evidentiary chemical result may be used under this section only if obtained in compliance with the evidentiary testing protocol adopted by rule, including device approval, calibration, chain of custody, operator qualification, and time-stamp requirements.

(e) Standardized test form.—The officer shall document the evidentiary basis for Trigger B on the prescribed test or refusal form, which shall include:

(1) the lawful basis for the stop;

(2) the time of stop;

(3) the time of test request;

(4) the test administered or the refusal recorded;

(5) the advisement given; and

(6) the identity confirmation of the covered driver.

(f) Failure of proof.—If the evidentiary requirements of this section are not satisfied, Trigger B shall not be deemed satisfied, and no Ride-First Eligibility Order shall issue under this section.

SEC. 6. RIDE-FIRST ELIGIBILITY ORDER.

(a) Issuance required upon trigger.—Upon satisfaction of Trigger A or Trigger B and completion of the standardized evidence packet under Section 13, the issuing authority shall issue a Ride-First Eligibility Order.

(b) Contents of order.—The order shall state all of the following:

(1) the name or other identity-confirming designation of the covered driver;

(2) the trigger under which the order is issued;

(3) the start time and end time of the restriction period;

(4) the approved safe-return service method or methods available;

(5) the service window and fallback contact information;

(6) the right to expedited administrative review under Section 12; and

(7) the consequences for a violation under Section 11.

(c) Duration.—The restriction period shall be 24 hours, unless extended under Section 11.

(d) Limited scope.—The order shall be limited to the covered driver and the stated restriction period and shall not create an indefinite status penalty, a general driver license suspension, or a blanket alcohol-access restriction beyond the order period.

(e) Service-centered nature.—The order shall require the covered driver to arrange or accept state-authorized safe return and shall not be construed as a criminal sentence or as a general prohibition on possession outside the restriction period.

(f) Service notice.—The issuing authority shall serve the order immediately upon issuance by hand delivery, electronic delivery, or any other method authorized by rule that ensures notice.

(g) Record entry.—The issuing authority shall enter the order into the statewide order registry and link it to the standardized evidence packet.

SEC. 7. RESTRICTION PERIOD AND MOBILITY OBLIGATION.

(a) No driving during restriction period.—During the restriction period, the covered driver shall not drive a motor vehicle unless an express statutory exception applies.

(b) Safe-return obligation.—During the restriction period, the covered driver shall arrange, use, or remain available for state-authorized safe return as directed by the order.

(c) Compliance with mobility restriction mechanism.—If ordinary ride-service capacity is unavailable, the covered driver shall comply with the state-authorized mobility restriction mechanism provided through fallback dispatch under Section 9.

(d) Written or electronic summary.—At issuance, the covered driver shall receive a written or electronic summary of available safe-return options, the service window, and the fallback contact information.

(e) Documentation of completion.—The approved safe-return service provider or dispatch system shall record the completion of safe return, failed attempt, or other disposition in the order file.

(f) No continuous surveillance.—This section shall not authorize continuous surveillance of the covered driver outside the restriction period.

SEC. 8. STATE RIDE-SERVICE CAPACITY.

(a) Minimum capacity required.—Each state shall maintain minimum ride-service capacity sufficient to provide a voucher, escort authorization, or equivalent safe-return option within the service window after issuance of a Ride-First Eligibility Order.

(b) Contracting or designation.—The state shall contract, designate, or otherwise secure providers to cover ordinary demand and predictable surge demand.

(c) Geographic coverage.—The state shall establish by rule geographic coverage standards for approved safe-return service providers, including response-time and pickup-area standards.

(d) Pickup availability metrics.—The coordinating agency shall maintain documented pickup availability metrics, including:

(1) average time from order issuance to dispatch confirmation;

(2) average time from dispatch confirmation to pickup;

(3) percentage of orders fulfilled within the service window; and

(4) distribution of service availability by region and time of day.

(e) Testing of capacity.—The coordinating agency shall test service capacity at intervals not exceeding 90 days and shall document the results.

(f) No duty without availability.—No Ride-First Eligibility Order shall be enforced unless an approved safe-return service or fallback dispatch mechanism is available under Sections 8 and 9.

(g) Corrective action requirement.—If capacity testing reveals a shortfall, the coordinating agency shall initiate corrective action within 10 business days and shall report the shortfall under Section 19.

SEC. 9. FALLBACK TELE-AUTHORIZATION AND DISPATCH.

(a) Automatic conversion.—If ordinary ride-service capacity is exhausted or unavailable, the order shall automatically convert to tele-authorization plus immediate pickup dispatch.

(b) Fallback contact obligation.—The state shall maintain a documented fallback contact obligation and routing procedure to ensure prompt safe return.

(c) Equivalent safe-return option.—The fallback mechanism shall provide an equivalent safe-return option within the statutory window or a documented compensating mechanism that prevents the covered driver from driving during the restriction period.

(d) Alternative verified channel.—The administrative authority shall maintain an alternative verified channel for activation of fallback dispatch, which may include a hotline, text-based authorization line, web portal, or other authorized method.

(e) Documentation.—The dispatcher shall record:

(1) the reason fallback dispatch was activated;

(2) the time of activation;

(3) the route or provider selected;

(4) the time of confirmation; and

(5) the final disposition.

(f) No punitive use of failure.—A service failure shall not eliminate the safe-return duty and shall not create an additional punitive presumption against the covered driver.

SEC. 10. ORDER COMPLIANCE DURING THE RESTRICTION PERIOD.

(a) Duty to comply.—The covered driver shall comply with the Ride-First Eligibility Order and shall not drive during the restriction period except as expressly allowed by law.

(b) Use of approved services.—The covered driver may use approved safe-return services to satisfy the order and avoid driving.

(c) Compliance with lawful directions.—The covered driver shall comply with lawful directions necessary to complete safe return, including directions to remain with the vehicle until pickup, to complete dispatch verification, or to present identity confirmation to the provider.

(d) Completion record.—The safe-return provider or dispatch system shall provide a completion record or failed-attempt record for the order file.

(e) Disposition at expiration.—At the end of the restriction period, the order shall expire automatically unless extended under Section 11.

SEC. 11. VIOLATION RESPONSE.

(a) Notice required.—If the covered driver violates the order after notice, the administrative authority may issue a violation notice.

(b) Bounded extension.—If the covered driver violates the order after notice, the administrative authority may extend the restriction period by 7 additional days.

(c) Brief intervention appointment.—If the covered driver violates the order after notice, the administrative authority shall require a brief intervention appointment.

(d) Scheduling.—The brief intervention appointment shall be scheduled within 14 days after notice of the violation, unless the covered driver requests a later date not exceeding 30 days after notice.

(e) No automatic criminal offense.—A violation of the order shall not itself create an independent criminal impaired-driving offense absent separate admissible evidence establishing such offense under existing law.

(f) Separate evidence preserved.—Nothing in this section shall preclude prosecution or administrative action under existing impaired-driving law if independent evidence later establishes a violation of that law.

(g) Notice contents.—The violation notice shall state the factual basis for the violation, the extension date, the appointment requirement, and the right to review under Section 12.

SEC. 12. EXPEDITED ADMINISTRATIVE REVIEW.

(a) Right to review.—A covered driver shall have the right to expedited administrative review of whether Trigger A or Trigger B was satisfied.

(b) Scope of review.—The review shall be limited to the standardized evidence packet, the required forms, the statutory timing requirements, and the identity confirmation used in the issuance of the order.

(c) Matters excluded.—The review shall not re-litigate drinking intent, generalized character, unsupported suspicion, or unenumerated facts not required by this Act.

(d) Filing period.—A request for review shall be filed within 7 calendar days after service of the order, unless good cause for later filing is shown.

(e) Hearing deadline.—The review hearing shall be conducted within 7 calendar days after the request is filed, unless the covered driver requests a later date.

(f) Decision deadline.—The administrative authority shall issue a written decision within 3 business days after the hearing.

(g) Remedy.—If the administrative authority determines that Trigger A or Trigger B was not satisfied or that the standardized evidence packet was incomplete, the authority shall rescind the order, correct the record, and provide any additional relief required by rule.

(h) No fee barrier.—No fee shall be charged for requesting expedited administrative review.

(i) Record access.—The covered driver shall have access to the order file and supporting evidence to the extent required for the review and consistent with applicable privacy law.

SEC. 13. STANDARDIZED EVIDENCE PACKET AND DOCUMENTATION.

(a) Condition precedent.—A Ride-First Eligibility Order shall issue only if the standardized evidence packet is complete.

(b) Required contents.—The standardized evidence packet shall include, at a minimum:

(1) the prescribed trigger checklist;

(2) identity confirmation;

(3) date and time stamp of the stop, contact, or observation;

(4) the lawful basis for the stop or contact;

(5) the completed Trigger A or Trigger B form;

(6) any required retailer token record for Trigger A;

(7) any evidentiary test result or refusal form for Trigger B;

(8) the service notice and order issuance record; and

(9) any additional item required by rule to verify compliance with this Act.

(c) No undocumented supplementation.—The packet shall not be supplemented by undocumented intuition, after-the-fact justification, or material not recorded within the time and form required by law or rule.

(d) Electronic storage.—The administrative authority shall maintain the standardized evidence packet in an electronic or otherwise searchable audit file.

(e) Completeness check.—The issuing authority shall complete a completeness check before issuance of the order, and issuance shall not occur if a mandatory field is blank or missing.

(f) Correction of errors.—If a packet is later found incomplete, the authority shall correct the record, rescind the order if required, and notify the covered driver.

SEC. 14. OFFICER AND AGENCY DUTIES.

(a) Field personnel duties.—Enforcement personnel shall use only the published trigger forms and approved procedures.

(b) Training.—The administrative authority shall train personnel on:

(1) the closed evidentiary triggers;

(2) the service-centered nature of the order;

(3) the standardized evidence packet requirements;

(4) lawful stop requirements;

(5) retailer log and token procedures; and

(6) expedited review procedures.

(c) Records.—Agencies shall maintain records sufficient to verify compliance with this Act, including training records, stop records, order records, review records, and service records.

(d) Publication of forms and codes.—The administrative authority shall publish all forms, codes, thresholds, time windows, and service rules before full enforcement begins.

(e) Prohibition on expansion by practice.—No officer or agency shall expand the scope of this Act through informal practice, unwritten instruction, or local policy inconsistent with this Act.

(f) Supervisory review.—Each agency shall conduct periodic supervisory review of order issuance to ensure compliance with the statutory triggers and documentation requirements.

SEC. 15. RETAILER VERIFICATION AND TOKEN RECORDING.

(a) Age verification required.—A retailer shall verify age using the statutory verification method before completing a sale of beverage alcohol.

(b) Token recording required.—A retailer shall record the transaction token or attempted-transaction token required for Trigger A corroboration.

(c) Record contents.—The retailer token log shall include, at a minimum:

(1) the identity-verification identifier;

(2) the transaction identifier or attempted-transaction identifier;

(3) the date and time of the transaction or attempted transaction;

(4) the quantity and type of beverage alcohol, if a sale occurred;

(5) the result of any required state query or verification step; and

(6) any other item prescribed by rule for auditability.

(d) Retention period.—A retailer shall retain records for the period established by rule, which shall not be less than 2 years unless a longer period is required by other law.

(e) Limited duty.—The retailer’s duties under this section are limited to age verification and auditable recordkeeping required by this Act.

(f) No downstream insurer obligation.—A retailer shall not be liable for downstream conduct solely because a sale occurred in compliance with this Act.

(g) Compliance workflow.—The retailer shall follow the prescribed point-of-sale workflow and shall preserve proof of compliance for audit and review.

SEC. 16. RETAIL SAFE HARBOR AND LIMITED LIABILITY.

(a) Safe harbor.—A retailer shall receive safe-harbor protection if the retailer completes the required age verification and token-recording steps.

(b) No penalty absent specific failure.—No civil or administrative penalty shall be imposed on a compliant retailer absent proof of the specific statutory failure alleged.

(c) Limited liability.—Retailer liability shall be limited to failure-to-record or failure-to-verify violations expressly stated in this Act.

(d) Intentional falsification excluded.—Nothing in this section shall protect intentional falsification, deliberate nonrecording, or knowing submission of false records.

(e) Audit defense.—A retailer may present the retained record as proof of compliance in any administrative or judicial proceeding under this Act.

(f) Remedy for defective system response.—If a state system outage or failure prevents the retailer from completing a required state query, the retailer shall follow the outage procedure under Section 17 and shall not be penalized for the outage itself.

SEC. 17. OUTAGE HANDLING AND CONTINUITY OF SERVICE.

(a) Offline or hotline fallback.—If the state token or dispatch system fails, the state shall provide an approved offline or hotline-assisted fallback.

(b) Outage log.—The administrative authority shall record outage duration, affected geographic area, and the alternative verification or dispatch path used.

(c) Alternative verification or dispatch path.—The state shall use the prescribed alternative verification or dispatch path when the ordinary system is unavailable.

(d) No order without safe-return mechanism.—The state shall not impose a Ride-First Eligibility Order if no safe-return mechanism is available and no fallback can be provided.

(e) Non-transfer of burden.—A system failure shall not shift the burden of system unavailability to the covered driver or the retailer.

(f) Continuity plan.—The administrative authority shall maintain and annually test a continuity plan for issuance, service, review, and dispatch under outage conditions.

SEC. 18. EXCEPTION HANDLING FOR AUTHORIZED TRANSPORT OR POSSESSION.

(a) Authorized exceptions only.—This Act shall allow only the statutory transport, work, medical, or licensed-venue exceptions expressly described in the implementing rules.

(b) Standardized evidence bundle required.—Any exception shall be documented using the standardized evidence bundle prescribed by rule.

(c) Burden of documentation.—A person claiming an exception shall present the required documentation at the time of enforcement or later review.

(d) Failure of documentation.—If exception documentation is missing, the exception shall not apply.

(e) Narrow construction.—Exceptions shall be construed narrowly and shall not be implied from generalized circumstances.

(f) Record retention.—The administrative authority shall retain exception records with the order file.

SEC. 19. DATA REPORTING AND ANNUAL EVALUATION.

(a) Annual report required.—Each state shall report annual outcomes on alcohol-related serious injury and death among drivers aged 18 through 20.

(b) Operational reporting.—Each state shall report the following operational metrics:

(1) dispatch success within the required service window;

(2) fallback activation rates;

(3) review reversals;

(4) retailer compliance rates; and

(5) order issuance counts.

(c) Standardized bins.—The reporting required by this section shall use standardized bins established by the administrative authority and published before the first annual report is due.

(d) Publication.—The annual report shall be published in a public format no later than 180 days after the end of each reporting year.

(e) De-identified data.—Data shall be de-identified except to the extent necessary for lawful audit, enforcement, or review.

(f) Independent evaluation.—The administrative authority may contract for independent evaluation of the program's effectiveness and administration.

SEC. 20. AUTOMATIC ROLLBACK AND CORRECTIVE ACTION.

(a) Dispatch threshold.—This Act shall include automatic rollback if dispatch success falls below the statutory threshold established by rule.

(b) Outcome threshold.—This Act shall include automatic rollback if the annual outcome metrics do not improve over the pre-registered evaluation bins.

(c) Corrective action required.—If rollback criteria are met, the state shall adopt corrective action before re-expanding the program after rollback.

(d) Notice of rollback.—The coordinating agency shall notify the legislature, implementing agencies, and the public of a rollback determination within 15 days after certification.

(e) Scope of rollback.—Rollback may include suspension of new order issuance, narrowing of service geography, revision of forms or thresholds, or other corrective measures required by rule, provided that any measure remains consistent with existing law.

(f) Re-expansion conditions.—No re-expansion shall occur until the administrative authority certifies that the conditions causing rollback have been corrected and that service and outcome standards are again satisfied.

SEC. 21. RELATION TO EXISTING LAW.

(a) Conflict rule.—This Act shall control to the extent of conflict with local provisions that would negate the closed trigger structure or service-centered order established by this Act.

(b) Existing impaired-driving laws preserved.—Nothing in this Act shall be construed to repeal ordinary impaired-driving laws, except to the extent they conflict with the specific procedures for covered orders established by this Act.

(c) Ordinary traffic enforcement preserved.—Nothing in this Act shall preclude ordinary traffic enforcement when Trigger A or Trigger B is not satisfied.

(d) No implied expansion.—Nothing in this Act shall be construed to expand the penalties, evidentiary presumptions, or enforcement powers provided by existing law except as expressly stated.

(e) Constitutional and statutory defenses preserved.—Nothing in this Act shall be construed to abrogate any constitutional right or any generally applicable statutory defense.

(f) Local consistency.—Local rules and ordinances inconsistent with this Act shall be unenforceable only to the extent of direct conflict.

SEC. 22. SEVERABILITY; EFFECTIVE DATE; IMPLEMENTATION SCHEDULE.

(a) Severability.—If any provision of this Act or its application to any person or circumstance is held invalid, the remaining provisions and applications shall remain effective to the maximum extent permitted by law.

(b) Effective date.—This Act shall take effect on the date stated in the enacting clause, except as otherwise provided in this section.

(c) Rulemaking and publication deadline.—Within 90 days after enactment, each administrative authority shall publish the definitions, forms, codes, threshold rules, time windows, training materials, and procedural manuals required to implement this Act.

(d) Ride-service contracting deadline.—Within 120 days after enactment, the state shall contract, designate, or otherwise secure approved safe-return service providers and fallback dispatch channels sufficient to meet the capacity requirements of Sections 8 and 9.

(e) Retailer connectivity deadline.—Within 150 days after enactment, retailers subject to this Act shall be connected to the token-log and retention process established under Section 15, or the administrative authority shall provide an approved interim offline process.

(f) Full enforcement condition.—Full enforcement shall not begin until the administrative authority certifies that all of the following are complete:

(1) rulemaking required by this Act;

(2) form publication;

(3) service contracting or designation;

(4) fallback dispatch readiness;

(5) review procedures;

(6) retailer recordkeeping procedures; and

(7) continuity-of-service procedures.

(g) Phased implementation.—The state may phase implementation by county, region, or service district if necessary to achieve compliance with the capacity and training requirements of this Act, provided that no phased area may begin full enforcement until it satisfies subsection (f).

(h) Interim authority.—During the implementation period, agencies may conduct training, testing, and voluntary enrollment activities, but may not issue enforceable Ride-First Eligibility Orders until full enforcement begins under subsection (f).

(i) Milestone certification.—The administrative authority shall certify each implementation milestone in writing and shall make the certification publicly available.

(j) Preservation of records.—All records created during implementation shall be retained and made available for audit, review, and reporting in the manner required by this Act.

Analytical Comparison

The generated bill focuses on traffic-safety risk through evidence-triggered ride-first orders, retailer recordkeeping, safe-return capacity, expedited review, and outcome reporting. It addresses the same public-safety problem but departs from the historical regime's central simple age-threshold mechanism, making the match partial rather than complete.

4. Case Analysis

Portugal Law 30/2000 drug decriminalization and health referral model

Case type: historically effective practice.

Historical Legal Regime

Portugal Law 30/2000 moved small-quantity possession for personal drug use from criminal prosecution into an administrative and health-oriented pathway. Drug trafficking remained criminalized. Personal-use cases are referred to commissions for the dissuasion of drug addiction, which may issue warnings, administrative measures, treatment referrals, and links to harm-reduction services. The core legal design joined decriminalization of personal use with treatment and harm-reduction capacity.

Normative Request

Design a law for a country with high rates of problematic drug use, HIV transmission among people who inject drugs, overdose risk, and prison overcrowding from low-level possession cases. The law must reduce health harms without legalizing trafficking.

Empirical Evidence

Drug Policy Alliance materials report that the share of new HIV/AIDS diagnoses associated with people who use drugs fell from 52% in 2000 to 6% in 2015. The same materials report an overdose-death decline of more than 80% after the reform period. Transform also reports that people convicted of drug offenses fell from more than 40% of Portugal's prison population in 2001 to 15.7% in 2019. Attribution is nuanced because decriminalization operated alongside treatment and harm-reduction investments, but the evidence supports the combined administrative-health architecture.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Decriminalize small-quantity personal possession, keep trafficking criminalized, refer users to administrative health/social commissions, expand treatment and harm-reduction services, and track HIV, overdose, treatment uptake, and prison impacts.

Generated Bill

A BILL

To establish a mandatory Episode Referral Ticket process for eligible low-level possession for personal use; to preserve full criminal liability for trafficking, commercial dealing, coercive supply, weapon-linked distribution, and sales to minors; to protect clinical and harm-reduction records; to require continuity of care, capacity standards, and independent oversight; and for other purposes.

Be it enacted by the legislature of the jurisdiction:

SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.

(a) Short title.—This Act may be cited as the "Care-first Diversion & Service Safe-Harbor Act (ERT Edition)".

(b) Findings.—The legislature finds that—

(1) overdose mortality, HIV transmission among persons who inject drugs, and avoidable incarceration from low-level possession cases constitute a serious public health and public safety concern;

(2) the prompt routing of persons charged with or contacted for eligible low-level possession for personal use to health and harm-reduction services can reduce overdose risk, improve continuity of care, and reduce avoidable custody exposure;

(3) the criminal justice system shall continue to impose full criminal liability for trafficking, commercial dealing, coercive supply, weapon-linked distribution, and sales to minors;

(4) service routing, confidentiality, and treatment continuity shall be structured to prevent the use of health and harm-reduction contact as a prosecution tool; and

(5) diversion and service routing systems shall include enforceable capacity, audit, and backup provisions so that access does not depend upon discretionary delay, facility overload, or metric manipulation.

(c) Purpose.—The purposes of this Act are—

(1) to require mandatory pre-adversarial routing by Episode Referral Ticket for eligible low-level possession for personal use;

(2) to provide immediate harm-reduction access, including naloxone, sterile syringes, and overdose-response assistance;

(3) to create a provisional harm-reduction status for uncertain or red-flagged cases while excluding trafficking-related conduct from full diversion clearance;

(4) to preserve a hardened evidentiary firewall between diversion routing, clinical records, and criminal proof;

(5) to require continuity of care and bridge coverage during transfer and screening;

(6) to establish enforceable throughput, capacity, and backup-site requirements;

(7) to require independent reporting and audit controls; and

(8) to preserve and enhance criminal enforcement against trafficking and other excluded conduct.

(d) Construction.—This Act shall be construed to preserve the full criminal liability of any person engaged in trafficking, commercial dealing, coercive supply, weapon-linked distribution, or sales to minors, and shall not be construed to legalize any such conduct.

SECTION 2. DEFINITIONS.

(a) In general.—In this Act:

(1) Authorized charging officer.—The term "authorized charging officer" means a prosecutor, police officer, or other public officer authorized by law to initiate, approve, or transmit a charging or diversion routing document.

(2) Backup receiving site.—The term "backup receiving site" means a designated provider, clinic, mobile clinic, telemedicine-supported intake unit, harm-reduction site, pharmacy-linked intake site, or other approved receiving location that has been certified under section 9 to accept a routed person when the primary receiving site cannot do so within the service-level standard.

(3) Bridge coverage.—The term "bridge coverage" means continuity of clinically appropriate medication, medication substitution when clinically indicated, continuity supplies, scheduling support, and other transfer-period services required under section 8 to prevent interruption of treatment or harm-reduction continuity.

(4) Clinical and harm-reduction records.—The term "clinical and harm-reduction records" means any record maintained by a medical provider, clinic, harm-reduction provider, outreach worker, syringe services provider, pharmacy acting under this Act, or their contractors that contains diagnosis, treatment, medication, attendance, counseling, overdose-response, syringe-access, infectious disease, or other health-service information related to a person routed, screened, or served under this Act.

(5) Commercial dealing.—The term "commercial dealing" means the knowing sale, exchange, brokerage, distribution for value, or offer to sell, exchange, broker, or distribute a controlled substance or a counterfeit controlled substance for consideration, whether direct or indirect.

(6) Coercive supply.—The term "coercive supply" means the delivery, transfer, furnishing, or provision of a controlled substance under threat, force, fraud, abuse of authority, exploitation of dependence, or control of another person's movements, funds, identity, residence, or bodily autonomy.

(7) Controlled substance.—The term "controlled substance" means a substance or drug regulated under the criminal or administrative law of the jurisdiction, including a counterfeit controlled substance when treated as such by law.

(8) Diversion information.—The term "diversion information" means any information created, transmitted, stored, or received for purposes of ERT issuance, eligibility screening, routing, provisional status, service referral, or diversion-case handling under this Act.

(9) Episode Referral Ticket; ERT.—The term "Episode Referral Ticket" or "ERT" means the mandatory non-adversarial routing instrument issued under section 3 that directs a person to a designated receiving site and triggers the protections, services, confidentiality rules, and timelines established by this Act.

(10) Eligible low-level possession for personal use.—The term "eligible low-level possession for personal use" means possession of a controlled substance that, based on pre-ERT objective policing or administrative facts and the statutory thresholds established under subsection (c), is consistent with possession for personal consumption and is not accompanied by objective red flags requiring provisional status under section 5.

(11) Emergency window.—The term "emergency window" means the period beginning at first lawful contact concerning suspected eligible low-level possession for personal use and ending upon either full diversion clearance, specialized trafficking review disposition, or expiration of the expedited review period established by section 6, whichever occurs first.

(12) Full diversion clearance.—The term "full diversion clearance" means a determination under section 5 or section 6 that a person is eligible for complete routing under this Act without referral to ordinary criminal processing for an excluded offense, subject to any lawful later prosecution based only on independently obtained evidence.

(13) Harm-reduction provider.—The term "harm-reduction provider" means a provider, organization, or program that lawfully supplies naloxone, sterile syringes, overdose-response services, wound care, or related nonjudgmental prevention services.

(14) Independent evidence.—The term "independent evidence" means evidence obtained from a source wholly independent of protected diversion information, clinical and harm-reduction records, or service-engagement data, and not derived directly or indirectly from such protected information.

(15) Leakage indicator.—The term "leakage indicator" means a measurable event or pattern indicating that protected diversion information may be disclosing, diffusing, or being repurposed in a manner inconsistent with this Act, including unauthorized

access, repeated compelled-disclosure requests, adverse disclosure orders, or documented misuse of protected records.

(16) Minors-of-age sale indicators.—The term “minors-of-age sale indicators” means objective facts indicating sale, transfer, furnishing, or attempted sale to a person under the age established by law for the purchase or possession of the controlled substance at issue.

(17) Objective red flags.—The term “objective red flags” means the facts described in section 5(b), together with any additional facts established by rule under section 2(c), that indicate potential trafficking, coercive supply, or other excluded conduct.

(18) Person.—The term “person” means an individual subject to screening, routing, treatment linkage, or prosecution under this Act.

(19) Personal-use band.—The term “personal-use band” means the quantity, circumstances, or other objective threshold established under subsection (c) that is presumptively consistent with personal consumption and not, by itself, evidence of commercial dealing or trafficking.

(20) Provisional Harm-Reduction Status.—The term “Provisional Harm-Reduction Status” means a temporary status under section 5(c) that requires immediate access to overdose-prevention and sterile-supply services while withholding full diversion clearance pending specialized trafficking review or expiration of the expedited review period.

(21) Protected diversion information.—The term “protected diversion information” means diversion information, clinical and harm-reduction records, and any derivative record or data element that this Act protects from direct or indirect prosecution use, except as expressly provided in this Act through independent evidence and lawful process consistent with this Act.

(22) Receiving site.—The term “receiving site” means a provider, clinic, pharmacy-linked service, mobile unit, telemedicine-supported unit, or other approved location designated under section 9 to receive a person routed under this Act.

(23) Routing code.—The term “routing code” means a non-identifying code, token, or identifier generated under section 4 for tracking an ERT event, transfer, intake, or service handoff without including narrative descriptions of possession circumstances.

(24) SLA.—The term “SLA” means the service-level standard established by rule under this Act for maximum time to accept, contact, triage, or intake a routed person.

(25) Specialized trafficking review.—The term “specialized trafficking review” means the expedited review process established under section 6 to determine whether objective red flags require exclusion from full diversion clearance.

(26) Staff observations of use.—The term “staff observations of use” means any visual, verbal, tactile, olfactory, behavioral, or reported observation by a service worker, outreach worker, or provider concerning the person’s use, intoxication, consumption practices, paraphernalia, or apparent drug use.

(27) Trafficking.—The term “trafficking” means the manufacture, possession for sale, distribution, delivery, transport for sale, importation, exportation, brokerage, or other conduct treated as trafficking under the criminal law of this jurisdiction.

(28) Weapon-linked distribution.—The term “weapon-linked distribution” means distribution, sale, delivery, transport, or possession for sale of a controlled substance when committed while using, carrying, brandishing, possessing, or employing a firearm, knife, explosive, or other weapon, or in connection with a weapon used to facilitate the conduct.

(b) Presumption and scope.—Except as otherwise provided in this Act, terms shall be interpreted in favor of prompt health routing for eligible low-level possession for personal use and in favor of exclusion for objective trafficking indicators.

(c) Threshold definitions by rule.—Not later than 60 days after enactment, the public health authority, in consultation with the attorney general and the chief court administrator, shall promulgate rules establishing—

(1) the personal-use band for each controlled substance category relevant to this Act;

(2) objective red-flag criteria not inconsistent with this Act;

(3) the routing code format and reidentification protections;

(4) the SLA time standards; and

(5) the leakage indicator thresholds.

(d) Nonexpansion.—Rules under this section shall not expand the scope of excluded conduct beyond the categories expressly identified in this Act, and shall not narrow the protections for eligible low-level possession for personal use.

SECTION 3. MANDATORY ERT ISSUANCE.

(a) Mandatory issuance.—Police, prosecutors, and any authorized charging officer shall issue an ERT for eligible low-level possession for personal use.

(b) No custody interruption.—No officer shall complete custody processing or any adversarial step that would break continuity before ERT issuance in an eligible case.

(c) No discretionary delay.—An officer shall not delay ERT issuance for discretionary screening once objective eligibility criteria are met.

(d) Minimum encounter duties.—Upon first lawful contact concerning suspected eligible low-level possession for personal use, the officer or other authorized public officer shall—

(1) determine whether objective eligibility criteria under section 5(a) are met;

(2) issue the ERT if the person is eligible;

(3) if the person is not immediately eligible because of objective red flags or uncertainty, assign Provisional Harm-Reduction Status under section 5(c);

(4) transmit the routing code and required referral data to the designated receiving site within the SLA;

(5) provide written or electronic notice of the ERT or provisional status in a form prescribed by rule; and

(6) refrain from recording prohibited narrative content in the diversion record.

(e) No incriminating admission required.—The person shall not be required to admit use, possession, quantity, source, or intent as a condition of ERT issuance.

(f) Immediate transfer prohibition.—An officer shall not transfer the person to custody, jail, or other detention setting for the purpose of delaying routing or service access, except as otherwise required by a warrant or a separate arrest for an excluded offense supported by independent evidence.

(g) Failure to issue.—A failure to issue an ERT when required under this section shall constitute an administrative violation, shall be subject to corrective action, and shall not be excused by workload, facility capacity, or local policy.

SECTION 4. PERMITTED DIVERSION RECORD CONTENT; ROUTING CODE REQUIREMENTS.

(a) Exclusive permitted content.—At ERT issuance, the only permitted diversion facts are non-incriminating, non-identifying routing codes.

(b) Prohibited content.—No diversion record shall include, for evidentiary purposes—

(1) a narrative description of possession circumstances;

(2) any description of drug paraphernalia;

(3) staff observations of use;

(4) a statement concerning source, supplier, location of acquisition, or intended transfer;

(5) a confession, admission, or interview summary related to possession or use; or

(6) any language that may reasonably identify the person through routing data alone.

(c) Routing code standard.—The administering authority shall establish a routing code standard that is rotating, nonreidentifying, and operationally segregated from law-enforcement case files.

(d) Separate key custody.—Any key, table, translator, or reconciliation mechanism that could link a routing code to a person shall be maintained in a segregated system with access limited to authorized administrative personnel designated under this Act.

(e) Reidentification prohibition.—No officer, provider, or custodian shall use the routing code system to reconstruct narrative facts for criminal proof.

(f) Technical controls.—The administering authority shall implement role-based access controls, audit logs, and system rejection rules that prevent insertion of prohibited narrative fields.

(g) Correction of prohibited entries.—If prohibited content is entered inadvertently, the custodian shall promptly remove or segregate the content, preserve an audit trail, notify the audit office, and certify corrective action.

SECTION 5. OBJECTIVE ELIGIBILITY SCREEN; PROVISIONAL HARM-REDUCTION STATUS.

(a) Objective screening required.—Eligibility shall be screened using only pre-ERT objective policing or administrative facts.

(b) Objective red flags.—Objective red flags shall include—

(1) quantity above the personal-use band;

(2) evidence consistent with sales or third-party transfer;

(3) weapon indicators;

(4) forced-taking indicators;

(5) coercion indicators; and

(6) minors-of-age sale indicators.

(c) Provisional Harm-Reduction Status.—If objective red flags are present or screening is uncertain, the person shall—

(1) receive Provisional Harm-Reduction Status immediately;

(2) receive naloxone, sterile syringes, and overdose-response access as provided under section 7 and section 11;

(3) not receive full diversion clearance at that time; and

(4) be referred immediately for specialized trafficking review under section 6.

(d) Full diversion clearance.—Full diversion clearance shall be granted only if—

(1) the objective criteria for eligible low-level possession for personal use are met; or

(2) specialized trafficking review clears the person within the SLA.

(e) No clinical-content eligibility use.—Clinical and harm-reduction records shall not be used to determine whether objective red flags exist, whether the person is eligible, or whether Provisional Harm-Reduction Status applies.

(f) Uncertainty rule.—Where the available pre-ERT objective facts are incomplete and do not resolve eligibility, the person shall receive Provisional Harm-Reduction Status pending specialized trafficking review.

(g) Burden of exclusion.—The governmental actor seeking to deny full diversion clearance based on excluded conduct shall establish the basis for exclusion using objective facts under section 6.

SECTION 6. SPECIALIZED TRAFFICKING REVIEW.

(a) Establishment.—The chief court administrator, in consultation with the attorney general and public health authority, shall establish a specialized trafficking review unit or equivalent expedited review mechanism.

(b) Function.—The specialized trafficking review unit shall determine whether full diversion clearance may be granted in a red-flagged or uncertain case.

(c) Evidentiary basis.—The review unit shall use only admissible independent objective facts and shall not use protected diversion information.

(d) Permissible dispositions.—The review unit shall, within the SLA—

(1) grant full diversion clearance;

(2) maintain Provisional Harm-Reduction Status pending lawful ordinary criminal processing for an excluded offense supported by independent evidence; or

(3) refer the matter for ordinary criminal processing based on the statutory criteria.

(e) Written disposition.—The review unit shall issue a written disposition stating the basis for its action in non-protected administrative language.

(f) Time limit.—The review unit shall complete review not later than the SLA prescribed for that case type, except that a single emergency extension not to exceed 24 hours may be granted upon written finding that immediate action is necessary to preserve safety, and the extension shall not suspend emergency harm-reduction access.

(g) Continuation of services.—Provisional Harm-Reduction Status shall remain in effect during review.

(h) Automatic escalation.—If the review deadline is missed, the matter shall automatically escalate to the chief review officer and the audit office.

SECTION 7. EMERGENCY HARM-REDUCTION SAFE HARBOR.

(a) Authority.—Service workers shall be authorized in good faith to provide naloxone, sterile syringes, and overdose-response assistance during the emergency window.

(b) Good-faith immunity.—Provision of emergency harm-reduction services under this section shall not create criminal liability for the service worker acting in good faith and within the scope of the service worker's lawful duties.

(c) Availability despite suspicion.—Emergency harm-reduction services shall be available even when exclusion criteria are suspected, pending expedited review.

(d) Emergency window services.—During the emergency window, the service worker may—

(1) dispense or distribute naloxone;

(2) dispense or distribute sterile syringes and related injection supplies;

(3) provide overdose-response assistance;

(4) provide brief overdose-prevention coaching;

(5) arrange transport or referral to a receiving site; and

(6) contact emergency medical services when medically necessary.

(e) No waiver requirement.—No person shall be required to waive confidentiality, consent to disclosure, or make an incriminating statement as a condition of receiving services under this section.

(f) Nonpunitive access.—No law-enforcement or service-access decision shall condition emergency harm-reduction access on later cooperation in unrelated investigations.

(g) Emergency refusal reporting.—A refusal to provide emergency services contrary to this section shall be documented and reported to the audit office within 5 business days.

SECTION 8. BRIDGE COVERAGE AND CONTINUITY OF CARE.

(a) Duty to provide continuity.—If a person enters treatment under the ERT pathway, the treatment system shall provide bridge coverage during transfer and screening.

(b) Medication continuity.—Bridge coverage shall include clinically appropriate medication continuity, including clinically equivalent opioid-agonist therapy when applicable, and continuity supplies.

(c) No interruption rule.—Medication and continuity supplies shall not be interrupted because of routing status, transfer status, pending review, administrative handoff, or lack of immediate appointment availability.

(d) Clinical judgment.—Clinical judgment shall govern substitution and therapeutic equivalence within evidence-based standards and applicable licensing rules.

(e) Transfer handoff.—The transferring provider and receiving provider shall coordinate the handoff, including a next-contact date, bridge medication quantity, refill timing, and continuity-supply transfer.

(f) Record of bridge coverage.—The provider shall record the bridge handoff in the continuity record, including the date, time, medication provided, and next scheduled contact, using the minimum necessary content.

(g) Failure to bridge.—An unauthorized interruption of treatment shall require immediate corrective action, patient-access review, and notice to the overseeing public health authority.

SECTION 9. RECEIVING SITE DESIGNATION; NO-WRONG-DOOR RULES.

(a) Designation required.—The public health authority shall designate primary and backup receiving sites.

(b) Backup acceptance.—If the primary receiving site cannot accept the person within the SLA, the backup receiving site shall accept the person within the same SLA.

(c) No wrong-door delay.—No wrong-door delay shall be permitted when the primary site is unavailable or at capacity.

(d) Continuous update obligation.—Designated sites shall maintain and update routing contacts, intake contacts, operating hours, intake limits, and escalation contacts on a continuous basis and in no event less than weekly.

(e) Minimum intake protocol.—Each receiving site shall maintain an intake protocol that includes—

(1) prompt identity verification to the minimum extent necessary;

(2) service need assessment;

(3) bridge coverage initiation;

(4) scheduling or same-day service when required by the SLA; and

(5) escalation procedures for overflow to the backup site.

(f) Public notice.—The public health authority shall publish and update a directory of designated receiving sites and backup receiving sites in a format accessible to law enforcement, providers, and the public.

(g) Wrongful turnaway.—A site that wrongfully turns away a routed person in violation of this section shall be subject to corrective action, contract remedy, and reporting under section 17.

SECTION 10. CAPACITY TARGETS AND SURGE TRIGGERS.

(a) Capacity targets required.—The administering authority shall establish—

(1) a maximum ERT backlog per time slice;

(2) triage staffing ratios relative to forecasted ERT volume; and

(3) surge funding triggers when backlog or intake delay thresholds are exceeded.

(b) Forecasting.—The administering authority shall use historical ERT volume, seasonal variation, overdose indicators, and public health surveillance to forecast expected demand.

(c) Staffing ratios.—The triage staffing ratios shall be sufficient to maintain the SLA and shall be revisited not less than quarterly.

(d) Surge triggers.—The surge funding triggers shall activate when any of the following occur:

(1) backlog exceeds the maximum threshold;

(2) the median intake delay exceeds the SLA;

(3) repeated wrong-door delays occur;

(4) emergency window referrals exceed available intake slots; or

(5) the audit office identifies a material capacity shortfall.

(e) Surge obligations.—Upon activation of a surge trigger, the administering authority shall deploy additional staff, extend hours, activate backup sites, and release contingency funding.

(f) No eligibility narrowing by capacity failure.—Capacity insufficiency shall not be used to deny eligibility or to narrow the personal-use band, except by rule of general application after public notice and only to the extent such change is necessary to conform to a statutory amendment.

(g) Reporting.—The administering authority shall publish the capacity targets and surge-trigger status in its periodic report under section 17.

SECTION 11. MANDATORY ENCOUNTER SUPPLIES.

(a) Offer required.—At the first lawful encounter for suspected eligible low-level possession for personal use, the person shall be offered take-home naloxone and sterile syringe access.

(b) Immediate coaching.—Brief overdose-prevention coaching shall be offered immediately with the supply offer.

(c) Unconditional delivery.—Encounter supply delivery shall be unconditional and shall not depend on later program uptake, court appearance, admission, or cooperation in any investigation.

(d) Discreet distribution.—The public health authority and designated providers shall use discreet distribution procedures that minimize public stigma and do not require a public gathering at a clinic entrance or other location likely to create avoidable disorder.

(e) Supply documentation.—The encounter team shall document only offer status, acceptance or refusal, and quantity provided in non-identifying form.

(f) Refill access.—Take-home naloxone shall be offered for refill at each subsequent lawful encounter or service contact under this Act.

(g) No punitive denial.—A refusal to accept one service shall not bar later supply access under this section.

SECTION 12. TREATMENT LINKAGE AND INITIAL APPOINTMENT STANDARDS.

(a) Appointment obligation.—Persons routed under this Act shall be offered a treatment or support appointment within the statutory window established by rule.

(b) Fallback obligation.—The receiving system shall maintain a lawful fallback if the initial site cannot meet the time standard.

(c) No confidentiality forfeiture.—The person shall not be required to forfeit confidentiality, waive privilege, or consent to disclosure as a condition of scheduling.

(d) Telemedicine-first option.—If the person is clinically unable to attend in person, the receiving system shall offer a telemedicine-first outreach option and, when clinically appropriate, home delivery or coordinated pickup of naloxone and sterile syringe kits through authorized providers.

(e) Bridge to appointment.—The provider shall ensure that bridge coverage under section 8 continues until the appointment occurs or a clinician documents an alternative clinical plan.

(f) Scheduling confirmation.—The receiving provider shall issue appointment confirmation in non-identifying form and shall transmit only the minimum necessary routing data to the provider responsible for continuity.

(g) Missed standard.—If the appointment standard is missed, the provider shall offer a rescheduled appointment and shall notify the administering authority for capacity review.

SECTION 13. PROTECTED DIVERSION INFORMATION AND CONFIDENTIALITY FIREWALL.

(a) Protected status.—Protected diversion information shall be privileged or otherwise protected as work-product or medical information as applicable.

(b) Witness prohibition.—Harm-reduction staff shall be categorically prohibited from acting as prosecution witnesses about diversion-related facts.

(c) Evidence prohibition.—Clinical and harm-reduction records shall not be used as prosecution evidence except through independently obtained evidence and lawful process consistent with this Act.

(d) Separation of systems.—Clinical, diversion-routing, and law-enforcement systems shall be operationally separated, with distinct access controls and audit logs.

(e) Minimum necessary access.—Access to protected diversion information shall be limited to the minimum necessary personnel and shall be logged.

(f) No direct or indirect use.—Attendance or engagement in services shall not be used directly or indirectly as evidence of possession, intent to distribute, source, or trafficking.

(g) Derivative prohibition.—No derivative of protected diversion information may be used to establish an element of an offense, enhance a charge, or impeach a person in a criminal proceeding, except through independent evidence lawfully obtained without reference to protected diversion information.

(h) Retention limits.—The public health authority shall establish short retention windows for diversion-routing data consistent with operational need, privacy law, and audit requirements.

(i) Disciplinary rule.—Unauthorized use or disclosure of protected diversion information shall constitute grounds for administrative discipline, contractual remedy, and referral for prosecution where applicable.

SECTION 14. SUBPOENAS, COMPELLED DISCLOSURE, AND LEAKAGE RESPONSE.

(a) Logging required.—All subpoenas, warrants, and compelled-disclosure requests for protected diversion information shall be logged.

(b) Request contents.—The log shall include the requesting authority, date, scope, legal basis asserted, disposition, and any disclosed category of information, subject to lawful sealing of sensitive material.

(c) Summary metrics.—The administering authority shall publish summary metrics on requests, grants, denials, categories of disclosure, and any identified patterns of repeated requests.

(d) Legal review channel.—The records custodian shall route every request through a designated legal review channel before any production.

(e) Default presumption.—If leakage indicators exceed the thresholds established by rule, the evidentiary firewall shall automatically tighten and the default presumption of non-disclosure shall apply.

(f) Stricter measures.—Upon activation under subsection (e), the public health authority shall require additional access restrictions, narrower disclosure routing, shorter retention, and enhanced audit review.

(g) No informal access.—No disclosure shall occur by informal request, side-channel communication, or system access not authorized under this Act.

(h) Corrective action.—Unauthorized disclosure shall require incident reporting, notice to the audit office, preservation of logs, and corrective action.

SECTION 15. INDEPENDENT EVIDENCE RULE.

(a) Independent-source requirement.—Any later prosecution may use only independently obtained evidence.

(b) Eligibility determination.—Eligibility determinations shall be based only on pre-ERT objective policing or administrative facts and not on clinical or service content.

(c) No conviction or enhancement based on protected information.—No conviction or charge enhancement shall rest on protected diversion information.

(d) Admissibility certification.—When required by rule or court order, the prosecutor shall certify the independent-source basis for any evidence introduced after an ERT event.

(e) Exclusion of protected data.—Protected diversion information shall not be introduced to prove possession, intent, source, quantity, trafficking, or any aggravating factor.

(f) Independent trafficking prosecution preserved.—Nothing in this section shall bar prosecution of trafficking, violence, commercial dealing, coercive supply, weapon-linked distribution, or sales to minors when proven by independent evidence.

(g) Suppression remedy.—Evidence obtained in violation of this section shall be subject to suppression and any further remedy available under law.

SECTION 16. TRAFFICKING AND EXCLUSION OFFENSES REMAIN FULLY CRIMINAL.

(a) Full criminal liability preserved.—Trafficking, commercial dealing, coercive supply, weapon-linked distribution, and sales to minors shall remain fully criminal.

(b) No diversion pathway.—No diversion pathway shall be available for excluded conduct.

(c) Enhanced penalties.—Enhanced penalties may be applied to excluded conduct as authorized by preexisting criminal law or as otherwise specified by this Act.

(d) Ordinary criminal processing.—Where excluded conduct is alleged, prosecutors may file the matter on the ordinary criminal track, and the ERT provisions shall not operate as immunity for the excluded offense.

(e) No inference from possession alone.—No finding under this section shall be inferred solely from low-level personal possession.

(f) Separate proof required.—An allegation of excluded conduct shall be supported by objective facts and independent evidence sufficient under applicable criminal procedure.

(g) No reduction of investigative authority.—Nothing in this Act shall reduce investigative authority for independently proven trafficking or violence offenses.

SECTION 17. AUDIT, REPORTING, AND ANTI-GAMING CONTROLS.

(a) Data collection.—The administering authority shall collect and report, at minimum—

(1) ERT issuance counts;

(2) routing times;

(3) provisional status rates;

(4) specialized trafficking review outcomes;

(5) full diversion clearance rates;

(6) clearance times;

(7) overdose reversals;

(8) HIV linkage indicators;

(9) treatment continuity metrics;

(10) disclosure-request metrics; and

(11) capacity and backlog metrics.

(b) Independent sources.—The administering authority shall incorporate independent sources, including EMS overdose calls, public health registry surveillance, and cross-checked HIV service linkage indicators.

(c) Under-reporting checks.—The audit office shall conduct checks for under-reporting, delayed reporting, selective omission, and other metric manipulation.

(d) No sole reliance on provider metrics.—Rollback or tightening decisions shall not be based solely on provider-submitted metrics.

(e) Borderline-case prohibition.—The Act shall prohibit excluding borderline cases solely to improve metrics.

(f) Public reporting.—The administering authority shall publish periodic summary reports at least quarterly and an annual consolidated report.

(g) Audit access.—The audit office shall have access to logs, de-identified source data, and the minimum necessary records required to verify compliance.

(h) Remedial orders.—If the audit office identifies noncompliance, it may issue remedial recommendations, require corrective action plans, and refer willful violations for administrative or criminal enforcement where applicable.

SECTION 18. CORRECTIVE CAPACITY AUGMENTATION.

(a) Trigger condition.—If overdose, overdose-reversal calls, or HIV linkage indicators worsen and capacity is insufficient, the remedy shall be automatic capacity augmentation and expanded outreach.

(b) Mandatory response.—Upon a trigger under subsection (a), the administering authority shall increase staffing, activate backup receiving sites, expand outreach hours, and increase continuity funding before considering any narrowing of access rules.

(c) No custody-first reversion.—The Act shall not permit reversion to custody-first processing as the default remedy for capacity failure.

(d) Corrective capacity plan.—Within 10 business days after a trigger under subsection (a), the administering authority shall publish a corrective capacity plan describing staffing, funding, outreach, and backup-site measures.

(e) Funding deployment.—Appropriated contingency or emergency funds shall be released on an expedited basis when the corrective capacity plan is activated.

(f) Outreach expansion.—Expanded outreach shall include additional contact points, mobile support, referral support, and appointment scheduling assistance.

(g) Reporting to legislature.—The administering authority shall report the trigger, the corrective capacity plan, and the status of implementation to the legislature and the audit office.

SECTION 19. ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) Reviewable actions.—Any denial of ERT routing, full diversion clearance, provisional status assignment, emergency safe-harbor access, confidentiality protection, or compelled-disclosure objection shall be reviewable in an expedited proceeding.

(b) Specialized review body.—The specialized trafficking review unit or equivalent designated body shall decide emergency routing disputes within the statutory deadline.

(c) Prompt hearing.—The court shall provide a prompt hearing when confidentiality, disclosure, or exclusion determinations are challenged.

(d) Record for review.—The review body shall accept certified records, independent evidence, and non-protected administrative submissions only, except as otherwise required by law.

(e) Interim protection.—If a review deadline is missed, the person shall retain Provisional Harm-Reduction Status unless a court orders otherwise based on independent evidence and lawful process.

(f) Limited disclosure on review.—Review shall not require disclosure of protected diversion information unless a higher legal standard is met under applicable law and this Act.

(g) Relief available.—The reviewing authority may order issuance of an ERT, continuation of provisional services, nondisclosure, sealing, corrective routing, or any other relief authorized by law consistent with this Act.

SECTION 20. IMPLEMENTATION TIMETABLE, TRAINING, AND INTEROPERABILITY.

(a) Implementation timetable.—The administering authorities shall comply with the following timetable:

(1) within 30 days after enactment, designate administering authorities, publish interim guidance, and begin system design;

(2) within 60 days after enactment, issue routing code standards, disclosure logging rules, and training materials;

(3) within 90 days after enactment, designate primary and backup receiving sites and certify initial SLA procedures;

(4) within 120 days after enactment, activate audit logging, summary reporting, and independent-source monitoring;

(5) within 180 days after enactment, certify statewide readiness for mandatory ERT enforcement and service fallback routing; and

(6) on an ongoing basis, conduct periodic review of capacity, leakage, and outcome indicators, with corrective action as needed.

(b) Training.—All regulated personnel shall receive training on eligibility, firewall rules, confidentiality, and emergency safe-harbor duties.

(c) Interoperability.—Interoperable routing and reporting systems shall be operational before mandatory statewide enforcement begins.

(d) Conforming forms.—The justice authority shall issue conforming forms, instructions, and electronic templates for ERT issuance, provisional status assignment, referral, and reporting.

(e) Readiness certification.—The public health authority shall certify readiness for each jurisdictional unit before that unit may be subject to mandatory enforcement of routing obligations, except that emergency harm-reduction duties under sections 7 and 11 shall apply immediately upon enactment.

(f) Public notice.—Readiness certifications and implementation milestones shall be made public.

SECTION 21. RELATION TO EXISTING LAW.

(a) Conflict rule.—This Act shall prevail over conflicting local rules, administrative policies, or enforcement practices to the extent of conflict.

(b) No repeal of excluded conduct laws.—Nothing in this Act shall be construed to repeal existing criminal prohibitions on trafficking, commercial dealing, coercive supply, weapon-linked distribution, or sales to minors.

(c) Existing confidentiality law preserved.—Existing laws on medical confidentiality, privacy, and privilege shall apply to the fullest extent consistent with this Act.

(d) Harmonization.—Courts shall harmonize this Act with existing law by applying the least-conflicting construction that preserves mandatory ERT routing, bridge coverage, confidentiality, independent evidence, and the full criminal boundary for excluded conduct.

(e) Minimum standards.—This Act establishes minimum statewide standards. A local rule may afford greater confidentiality, greater service access, or stricter protection for protected diversion information, but may not reduce any protection or duty established by this Act.

(f) No implied immunity.—Nothing in this Act shall be construed to create a general immunity from prosecution.

SECTION 22. APPROPRIATIONS.

(a) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this Act, including funds for—

(1) ERT administration;

(2) routing code systems and secure data infrastructure;

(3) designated receiving sites and backup receiving sites;

(4) naloxone, sterile syringes, and overdose-response supplies;

(5) bridge coverage and continuity-of-care support;

(6) staffing, surge deployment, and overtime;

(7) audit office operations;

(8) training and interoperability;

(9) public reporting and independent monitoring; and

(10) corrective capacity augmentation and expanded outreach.

(b) Use of funds.—Funds appropriated under this section shall be used only for the purposes of this Act.

(c) Contingency funds.—Any emergency or contingency funds appropriated for public health or criminal justice coordination may be used to meet surge triggers and backup-site activation requirements under this Act.

SECTION 23. SEVERABILITY.

If any provision of this Act or its application is held invalid, the remaining provisions and applications shall remain in force to the maximum extent possible, and the invalidation of one eligibility, confidentiality, or routing rule shall not invalidate the full-criminal boundary for trafficking or the emergency harm-reduction safe harbor unless necessary by law.

SECTION 24. EFFECTIVE DATE.

(a) In general.—This Act shall take effect on the date of enactment.

(b) Delayed mandatory enforcement.—The mandatory routing obligations under section 3 shall apply beginning on the statewide readiness date certified under section 20, except that the emergency harm-reduction safe harbor under section 7 and the mandatory encounter supply obligations under section 11 shall apply immediately upon enactment to the extent lawful and operationally feasible.

(c) Transition.—During the implementation period, the administering authorities shall use interim forms, interim routing procedures, and interim backup arrangements that are consistent with this Act and that maximize continuity of care, confidentiality, and service access.

SECTION 25. TRANSITIONAL PROVISIONS.

(a) Existing cases.—For any low-level possession matter pending on the effective date, the court or prosecuting authority shall review the matter for eligibility under this Act within 30 days and shall apply the ERT or full diversion clearance provisions where lawful and consistent with independent evidence.

(b) Existing service contracts.—Existing contracts, memoranda of understanding, and provider agreements shall be amended as necessary to conform to this Act not later than 90 days after enactment.

(c) Interim backup designation.—Until the public health authority certifies permanent receiving sites and backup receiving sites, it shall designate temporary sites sufficient to satisfy the no-wrong-door requirement to the maximum extent practicable.

(d) Staff training transition.—Regulated personnel shall be trained during the transition period before mandatory statewide enforcement begins.

SECTION 26. ENFORCEMENT AND ACCOUNTABILITY.

(a) Administrative discipline.—Any officer, provider, custodian, or contractor who knowingly violates this Act shall be subject to discipline, contract remedy, or other administrative sanction.

(b) Civil remedies.—A person aggrieved by a violation of this Act may seek declaratory or injunctive relief, suppression of unlawfully obtained evidence, sealing of protected records, and any other relief available under law.

(c) Audit referrals.—The audit office may refer willful or repeated violations to the appropriate disciplinary body, licensing authority, or prosecutor.

(d) Annual compliance review.—The chief court administrator, public health authority, and attorney general shall jointly submit an annual compliance review to the legislature summarizing implementation, compliance, enforcement, capacity, and outcome data.

(e) No retaliation.—No person shall be retaliated against for asserting rights under this Act, for refusing unauthorized disclosure, or for reporting a violation in good faith.

SECTION 27. RULEMAKING AUTHORITY.

(a) General authority.—The public health authority, the attorney general, and the chief court administrator shall each promulgate rules necessary to implement this Act within their respective jurisdictions.

(b) Limitations.—Rules promulgated under this section shall be consistent with this Act and shall not diminish any protection, duty, or prohibition established herein.

(c) Emergency rulemaking.—The relevant authority may issue emergency rules to implement routing, confidentiality, capacity, or disclosure protections before the end of the general rulemaking period, provided that such rules are consistent with this Act.

(d) Public participation.—To the extent practicable, rulemaking under this section shall include notice and opportunity for public comment.

SECTION 28. NONDISCRIMINATION.

(a) Equal access.—Services, routing, and protections under this Act shall be administered without discrimination on the basis of race, ethnicity, sex, age, disability, housing status, nationality, or recovery status.

(b) Neutral administration.—Eligibility screening, provisional status assignment, receiving-site designation, and audit procedures shall be applied in a neutral and consistent manner.

(c) Accessibility.—Rules and forms under this Act shall be made accessible to persons with disabilities and limited literacy to the extent required by law.

SECTION 29. RECORD SEPARATION AND DATA GOVERNANCE.

(a) Separate identifiers.—The public health authority shall require separate identifiers for law-enforcement routing, clinical intake, and harm-reduction service records.

(b) Data minimization.—Each regulated entity shall collect and retain only the minimum data necessary to perform its duty under this Act.

(c) Access logs.—Each access to protected diversion information shall be logged and reviewed.

(d) Breach notice.—Any unauthorized access, disclosure, or attempted reidentification shall be reported promptly to the audit office and the relevant authority.

(e) Data reconciliation.—Reconciliation between systems shall occur only through authorized administrative personnel and only to the extent necessary for continuity of care, audit, or lawful compliance.

SECTION 30. NO PRIVATE RIGHT OF INFORMATIONAL USE.

(a) Prohibition.—No person shall use protected diversion information for private commercial solicitation, retaliation, harassment, or reputational harm.

(b) Limited exception.—Nothing in this section shall prohibit a person from using independently obtained evidence or information otherwise lawfully available under applicable law.

SECTION 31. CONSTRUCTION OF SPECIALIZED TERMS.

(a) Personal-use band.—The personal-use band shall be construed as a threshold for routing, not as a license to possess.

(b) Objective red flags.—Objective red flags shall be construed to require observable, articulable facts and shall not be based on stereotype, recovery status, housing status, or service participation.

(c) Provisional Harm-Reduction Status.—Provisional Harm-Reduction Status shall be construed as a temporary health-protective status only and shall not be treated as a finding of trafficking.

(d) Full diversion clearance.—Full diversion clearance shall be construed as a routing determination and not as an acquittal unless otherwise required by law.

SECTION 32. NO AMENDMENT BY IMPLICATION.

No provision of this Act shall be deemed amended by implication by any later general statute unless the later statute expressly refers to this Act and states the intended modification.

SECTION 33. CODIFICATION.

The provisions of this Act shall be codified in the criminal procedure, public health, evidence, and administrative law titles of the jurisdiction as necessary to preserve operative effect.

SECTION 34. RULE OF LIBERAL CONSTRUCTION FOR HEALTH ROUTING.

Where this Act admits more than one reasonable interpretation, the interpretation that most effectively preserves immediate harm-reduction access, continuity of care, confidentiality, and the exclusion of trafficking from diversion shall control.

SECTION 35. EFFECT ON LOCAL ORDERING AND OPERATING PRACTICES.

(a) Local operating procedures, patrol directives, intake forms, and provider workflows shall be revised to conform to this Act.

(b) Any local practice that delays ERT issuance, inserts prohibited narrative content, routes a person to a non-designated site, or conditions emergency harm-reduction access on cooperation shall be void to the extent of conflict.

SECTION 36. PUBLIC EDUCATION AND NOTICE.

(a) The public health authority, in consultation with the justice authority, shall issue public education materials explaining ERT routing, emergency harm-reduction access, receiving-site locations, and confidentiality protections.

(b) Materials shall be distributed to law enforcement agencies, courts, clinics, pharmacies, harm-reduction programs, and community organizations.

(c) Public education materials shall not disclose protected diversion information.

SECTION 37. REGULATED ENTITY DUTIES.

(a) Each regulated entity shall maintain a written compliance policy for this Act.

(b) Each regulated entity shall designate a compliance officer or responsible administrator.

(c) Each regulated entity shall retain records sufficient to demonstrate compliance without retaining prohibited narrative content.

(d) Each regulated entity shall cooperate with audits and corrective actions under this Act.

SECTION 38. INTERAGENCY COORDINATION.

(a) The public health authority, the attorney general, the chief court administrator, and the emergency medical services coordinator shall meet not less than quarterly to review implementation, capacity, leakage indicators, and outcome data.

(b) The agencies shall share only the minimum necessary information consistent with this Act.

(c) The agencies shall resolve operational conflicts in a manner that preserves routing continuity and confidentiality.

SECTION 39. EFFECT OF NONCOMPLIANCE ON PROSECUTION.

(a) Suppression and exclusion.—Evidence obtained through a violation of sections 4, 13, 14, or 15 shall be subject to suppression or exclusion as provided by law.

(b) No adverse inference from protected service use.—No adverse inference may be drawn from a person's participation in, receipt of, or refusal of diversion, harm-reduction, or treatment services under this Act.

(c) No retaliation in charging.—A prosecutor shall not increase charges, seek detention, or oppose release solely because a person asserted rights under this Act or used services protected by this Act.

SECTION 40. FINAL CLAUSE.

All laws and parts of laws in conflict with this Act are repealed or superseded to the extent of the conflict.

Analytical Comparison

The generated bill preserves criminal treatment of trafficking while routing low-level personal possession into a care-first diversion and harm-reduction pathway. It reflects the central Portuguese architecture: separating personal use from trafficking, reducing criminal-justice exposure for low-level possession, and connecting affected persons to treatment and public-health services.

5. Case Analysis

U.S. National Prohibition / Volstead Act

Case type: historically weak or adverse practice.

Historical Legal Regime

The Eighteenth Amendment and the Volstead Act created a national prohibition on the manufacture, sale, and transportation of intoxicating liquors for beverage purposes. The regime relied on criminal enforcement, narrow exceptions for medical, religious, and industrial uses, and expanded federal enforcement and court burdens. Its central architecture suppressed legal supply rather than regulating a lawful market through licensing, product safety, taxation, and targeted harm controls.

Normative Request

Design a law for a country with serious alcohol-related public-health, workplace, family, and public-order harms. The law should reduce harmful consumption and alcohol-related violence while avoiding black-market growth, corruption, unsafe products, and excessive enforcement burdens.

Empirical Evidence

NBER research indicates that alcohol consumption initially fell during Prohibition but later rose to roughly 60-70% of pre-Prohibition levels. Cato cites evidence that crime in 30 major cities rose by 24% between 1920 and 1921 and that police expenditures rose by 11.4%. Federal Judicial Center data show new federal criminal cases rising more than fourfold, from an annual average of 17,269 in 1904-1917 to about 75,400 per year in 1921-1933. The evidence shows a legal architecture overwhelmed by illicit markets, unsafe products, corruption, and enforcement burdens.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Near-total national prohibition of manufacture and sale for beverage alcohol backed mainly by criminal enforcement, without a workable legal market or demand-reduction health strategy. Preferred architecture: Regulated legal market with taxation, licensing, age/access limits, impaired-driving enforcement, treatment, product safety, targeted nuisance controls, and data-driven harm reduction.

Generated Bill

A BILL

To reduce alcohol-related harm while preserving lawful access through licensed channels; to establish supply provenance, service protocol, session-state pacing, evidence-gated enforcement, outage continuity, due process, and related requirements; to provide for rulemaking, reporting, enforcement, appropriations, transition, severability, and an effective date.

Be it enacted by the Legislature of the State of ________:

SECTION 1. SHORT TITLE, PURPOSE, AND FINDINGS.

(a) Short title.—This Act may be cited as the “PVSS+ Stabilized Safety Service Alcohol Law”.

(b) Purpose.—The purpose of this Act is to reduce harmful consumption, alcohol-related violence, unsafe diversion, arbitrary enforcement, and associated public-health, workplace, family, and public-order harms, while preserving lawful access to alcohol through licensed channels and maintaining continuity of commerce through licensed venues.

(c) Legislative findings.—The Legislature finds that—

(1) alcohol-related harm contributes to injury, disease burden, acute intoxication events, domestic and intimate-partner violence, neglect, financial instability in households, workplace accidents and near-misses, disorder in venues and public spaces, and recurrent demands on health, administrative, and law-enforcement systems;

(2) regulatory systems that rely excessively on discretionary observation, fragmented transactions, inconsistent logging, or brittle data systems may produce over-refusal, under-enforcement, selective enforcement, unsafe displacement, and corruption risk;

(3) a structured supply-provenance system, a standardized service protocol, a stateful patron-session pacing limit, evidence-gated sanctions, outage continuity rules, anti-profiling limits, and bounded corrective measures for first-time defects are necessary to improve reliability, fairness, and enforceability; and

(4) the Act is intended to regulate licensed supply, service, and enforcement in a manner that reduces harmful consumption, alcohol-related violence, unsafe diversion, and arbitrary enforcement while preserving lawful access through licensed channels.

(d) Construction.—This Act shall be construed to effectuate the purposes described in subsection (b) and the findings in subsection (c), and shall not be construed to create a blanket prohibition on lawful adult access to alcohol through licensed channels.

SEC. 2. DEFINITIONS AND CONSTRUCTION.

(a) Definitions.—In this Act:

(1) “Approved wholesaler” means a wholesaler authorized by the State alcohol licensing authority to supply alcoholic beverages to licensed retailers under this Act and rules adopted under this Act.

(2) “Alcohol” means a beverage containing alcohol that is subject to licensing, sale, distribution, service, or other regulation under this Act.

(3) “Alcohol offered for sale” means alcohol held out, displayed, delivered, transferred, or otherwise made available for purchase or service.

(4) “Audit backlog” means a state of system delay, record accumulation, or verification backlog officially declared by the administering authority to impair ordinary compliance logging or verification.

(5) “Authority” means the State alcohol licensing authority, the department of public health, the department of revenue or commerce if designated for administration under this Act, a local licensing or inspection officer acting under statewide standards, the attorney general, a public prosecutor, or an administrative hearing office, as applicable to the duty or power stated.

(6) “Cap circumvention pattern” means a pattern of patron tokens, service timestamps, reset requests, transaction sequences, or related records that indicates an attempt to evade a patron-session pacing cap by fragmentation, serial purchase, repeated resets, or other logged behavior prohibited by this Act or rules adopted under this Act.

(7) “Checklist item” means a specific observable marker included in the finite observable safety checklist adopted under section 9.

(8) “Contingency lots safe-harbor” means the pre-registered list of lots, batches, or units authorized for sale during a verified provenance-system outage under section 7 or a known-outage protocol under section 15.

(9) “Cooling interval” means the minimum elapsed time required before a patron session may be requalified or reset under section 12.

(10) “Cryptographically signed” means authenticated using a method approved by the administering authority that binds the record to the issuing device, system, or credential in a manner that permits verification of integrity and origin.

(11) “Device failure” means a temporary failure, outage, interruption, or malfunction of a verification, logging, scanning, or recording device that materially impairs compliance logging or transmission but does not itself establish a violation.

(12) “Evidence bundle” means the minimum admissible package of records required by this Act for a sanction, as specified in section 13.

(13) “Finite observable safety checklist” means the standardized, limited set of observable markers adopted under section 9 that staff shall complete during each service window as required by this Act.

(14) “First-time procedural defect” means the first qualifying failure by a regulated person to complete or record a required procedural step under sections 4 through 16, exclusive of knowing fraud, adulteration, unlicensed supply, falsification, or repeated willful evasion.

(15) “Known-outage protocol” means the contingency compliance mode established under section 15 for a verified provenance-system outage or major audit backlog.

(16) “Licensed retailer” or “retailer” means a person or entity licensed to sell alcohol at retail, whether for on-premises or off-premises consumption, including bars, restaurants, clubs, shops, and other licensed venues.

(17) “Observation uncertainty” means a bounded operating condition, including lighting, noise, throughput, crowding, line congestion, or other regulated condition recognized by rule, that prevents immediate completion of a checklist item while the venue is otherwise operating normally.

(18) “Off-premises consumption” means consumption away from the place of sale or service.

(19) “On-premises consumption” means consumption at or within the licensed premises of the seller or venue.

(20) “Patron” means a person seeking to purchase, receive, or consume alcohol from a licensed venue.

(21) “Patron session” means the rolling time window established under section 11 that begins with the first qualifying service and remains in effect for the statutory period and any requalification or reset authorized under section 12.

(22) “Provenance compliance violation” means a violation of sections 4 through 7 relating to approved wholesaler sourcing, unit-level electronic provenance, receiving records, inventory reconciliation, or contingency lots safe-harbor use.

(23) “Protocol log” means the record created under sections 9 through 15 showing completion, delay, recheck, escalation, hold, override, or other required steps of the Uncertainty-Tolerant Service protocol.

(24) “Reliability threshold” means the minimum integrity standard adopted by rule under section 14 for partial or device-generated records to be credited in enforcement or rollback decisions.

(25) “Revenue tier” means the financial classification adopted by rule for a licensed retailer for the purpose of capping fines proportionately under section 17 or 18.

(26) “Scripted decision tree” means the fixed supervisor escalation and decision sequence adopted under section 10 or 12 that limits discretion and requires specified logging.

(27) “Short Hold + Assisted Re-Check” means the mandatory workflow under section 10 requiring a brief pause on additional service, an offer of water or food where practicable, and a repeat attempt to complete the checklist.

(28) “Service window” means a discrete transaction or service interval during which eligibility verification, checklist completion, uncertainty handling, and recording duties must be performed under this Act.

(29) “Tamper-evident” means designed to reveal unauthorized alteration, substitution, or removal in a manner approved by rule.

(30) “Transaction log” means the record of a sale, service, transfer, or attempted sale or service, including time, outlet, price or quantity where required by rule, and associated patron token or identification record.

(31) “Unit-level electronic provenance” means a machine-readable record that identifies a particular salable unit, lot, or batch with sufficient specificity to support traceability, receiving, recall, and enforcement under this Act.

(32) “Unprovenanced stock” means alcohol that lacks a valid unit-level electronic provenance record or equivalent machine-readable serialization approved by rule.

(33) “Uncertainty-Tolerant Service protocol” means the three-part service process required under sections 8 through 12 consisting of eligibility verification, finite checklist completion, and the observation uncertainty workflow.

(34) “Verified provenance-system outage” means an outage, failure, or condition declared by the state under section 7 that prevents ordinary provenance verification or logging.

(35) “Violation window” means the time period for which records, logs, or conduct are evaluated for a possible sanction under this Act.

(b) Construction.—

(1) Undefined terms shall be construed consistently with the purposes of this Act and the ordinary licensing context.

(2) A venue or retailer shall not avoid compliance by relabeling a service window, session, or logged transaction in a manner that defeats this Act.

(3) The singular includes the plural and the plural includes the singular.

(4) The term “shall” imposes a mandatory duty; the term “may” confers discretion; and the terms “shall not” and “may not” impose prohibitions.

SEC. 3. RELATION TO EXISTING LAW.

(a) Conflict control.—This Act shall control to the extent of any direct conflict with prior law governing licensed alcohol provenance, service protocol, or session-state limits.

(b) Preservation of existing procedures.—Existing licensing, inspection, health, criminal, administrative, and appellate procedures shall remain in effect except as modified by this Act.

(c) Local rules.—Any stricter local rule shall not be enforced if it conflicts with the minimum continuity, due-process, anti-discretion, anti-profiling, or evidence-gated protections established by this Act.

(d) Savings clause.—Nothing in this Act shall be construed to repeal, limit, or excuse enforcement of laws against unlicensed sale, adulteration, fraud, assault, endangerment, theft, diversion, or other criminal or civil misconduct not expressly modified by this Act.

(e) Harmonization.—The attorney general or chief legal officer shall, not later than 90 days after the date of enactment, publish a nonbinding harmonization memorandum identifying necessary conforming amendments to existing statutes, regulations, and forms.

(f) Administrative explanation.—If an agency asserts that this Act conflicts with another law or rule, the agency shall provide a written explanation citing the provisions at issue and stating the basis for the asserted conflict.

SEC. 4. LICENSED SUPPLY AND APPROVED WHOLESALER REQUIREMENT.

(a) Approved wholesaler sourcing.—Retail alcohol shall be procured only from approved wholesalers.

(b) Prohibition on unapproved sources.—A retailer shall not sell alcohol that was obtained from an unapproved source.

(c) Wholesaler authorization condition.—A wholesaler shall maintain authorization and compliance status as a condition of supplying alcohol to retail licensees.

(d) Required transfer records.—An approved wholesaler shall provide, at the time of transfer, the unit-level electronic provenance data required by section 5 and the transfer records required by rule.

(e) Receiving verification.—A retailer shall verify that the supplier is an approved wholesaler before accepting inventory and shall record the verification in the receiving log.

(f) Public list.—The administering authority shall maintain a current list of approved wholesalers accessible to licensed retailers and inspectors.

(g) Upstream defects.—A retailer shall not be penalized for a wholesaler's upstream defect if the retailer relied on a valid approval record, received the inventory in the ordinary course, and completed all required receiving and inventory logs.

(h) Serious violations.—A wholesaler or retailer that knowingly bypasses approval requirements shall be subject to license action and civil penalties under sections 18 and 20.

SEC. 5. UNIT-LEVEL ELECTRONIC PROVENANCE.

(a) Provenance requirement.—Alcohol offered for sale shall bear unit-level electronic provenance or an equivalent machine-readable serialization approved by rule.

(b) Prohibition on unprovenanced stock.—Unprovenanced stock shall not be offered, sold, transferred for retail sale, or served.

(c) Commingling prohibition.—Retailers shall not commingle verified stock with unverified stock in a manner that defeats lot-level traceability.

(d) Required data fields.—The administering authority shall, by rule, specify the minimum provenance data fields, which shall include, at a minimum—

(1) lot code;

(2) batch code;

(3) unit identifier or equivalent serialization;

(4) supplier identifier;

(5) transfer date and time; and

(6) any additional data necessary to support recall and traceability without imposing unnecessary proprietary burdens.

(e) Receiving scan.—Retailers shall scan and record provenance data at receiving and upon any compliance-relevant transfer.

(f) Interoperability.—The administering authority shall adopt or approve interoperable formats where reasonably practicable.

(g) Equivalent method.—A retailer shall not be required to create proprietary technology if an approved interoperable method is available.

(h) Serious provenance violation.—Knowingly stocking unprovenanced alcohol shall constitute a serious licensing violation.

SEC. 6. RECEIVING, INVENTORY, AND RECALL CONTROLS.

(a) Inventory reconciliation.—A retailer shall reconcile received inventory with provenance records not later than 2 business days after delivery, or such shorter period as the administering authority may require for a specified class of license.

(b) Isolation of suspect stock.—A retailer shall isolate and withhold from sale any stock that cannot be reconciled with a valid provenance record.

(c) Retention.—A retailer shall retain receiving logs, inventory logs, and recall records for not less than 3 years or such longer period as the administering authority may require for a pending investigation.

(d) Periodic reconciliation.—A retailer shall conduct periodic inventory reconciliation at intervals established by rule.

(e) Discrepancy reporting.—A retailer shall report material discrepancies in inventory or provenance in the manner and within the time required by rule.

(f) Templates.—The administering authority shall make standardized receiving, recall, quarantine, and inventory templates available to licensed retailers.

(g) Quarantine authority.—A retailer may quarantine suspect stock pending verification and shall not be required to destroy such stock immediately unless ordered under existing law or by a lawful administrative order.

(h) Inspection and hold.—Unreconciled inventory may trigger inspection, audit, or a temporary hold order under section 20.

SEC. 7. CONTINGENCY LOTS SAFE-HARBOR.

(a) Activation condition.—During a verified provenance-system outage, a retailer may use only pre-registered contingency lots that appear on the state-managed safe-harbor list.

(b) Restriction on new inventory.—A retailer shall not introduce new inventory into sale through an outage workaround unless the inventory is covered by the safe-harbor list.

(c) State activation.—The state shall activate the contingency lots safe-harbor only upon a published outage determination or equivalent verified notice.

(d) Registry.—The state shall maintain a contingency lots registry, activation criteria, and deactivation notice process.

(e) Outage log.—A retailer shall document any sale made under the safe-harbor mode in a designated outage log.

(f) Continuity without ad hoc workarounds.—The safe-harbor shall preserve continuity without authorizing unverified sourcing or discretionary exceptions.

(g) No penalty for ordinary unavailability.—A retailer acting within the published outage mode shall not be penalized for ordinary provenance-system unavailability alone.

(h) Post-restoration audit.—After restoration of ordinary provenance systems, the administering authority shall audit safe-harbor use and may require reconciliation or correction of records.

SEC. 8. AGE AND IDENTITY TOKEN VERIFICATION.

(a) Required eligibility check.—A sale or service shall occur only when the patron's age or identity verification token is valid and recorded.

(b) Recording duty.—A venue shall not continue a qualifying service without recording the outcome of eligibility verification.

(c) Invalid tokens.—False, altered, expired, or otherwise invalid tokens shall not be accepted as proof of eligibility.

(d) Approved methods.—The administering authority shall approve acceptable token forms and verification methods by rule.

(e) Record contents.—A retailer shall record the verification outcome, date, time, outlet identifier, and the patron token or other approved record for each service window.

(f) Fallback verification.—If verification technology is temporarily unavailable, the venue shall use the published fallback method or the known-outage protocol where applicable.

(g) Seller-side technical failure.—A patron shall not be denied service for a seller-side technical failure if the Act's fallback method authorizes continuation.

(h) Fraud.—A person who knowingly presents a forged, altered, or invalid eligibility token may be referred for enforcement under existing law.

SEC. 9. FINITE OBSERVABLE SAFETY CHECKLIST.

(a) Requirement.—A venue shall complete the finite observable safety checklist during each service window as required by rule.

(b) Limited scope.—The checklist shall be limited to defined observable markers and shall not include open-ended subjective capacity judgments as the sole decision basis.

(c) Publication.—The public health authority shall publish the checklist items, minimum observation conditions, and authorized training materials.

(d) Review.—The checklist shall be reviewed periodically and may be updated only by rule after notice and opportunity for comment or equivalent consultation.

(e) Recordkeeping.—Staff shall record checklist completion status, result, and any item requiring follow-up.

(f) Practicability.—The checklist shall be designed to be finite, practical, and usable under ordinary operating conditions.

(g) No sanction beyond published items.—A venue shall not be sanctioned for failing to observe matters that the published checklist does not require.

(h) Protocol violation.—Failure to perform or record the checklist shall be a service protocol violation under section 18 if established by the evidence bundle.

SEC. 10. OBSERVATION UNCERTAINTY WORKFLOW.

(a) Initiation.—When observation uncertainty prevents immediate checklist completion, staff shall initiate the Short Hold + Assisted Re-Check workflow.

(b) Short hold.—The venue shall pause additional service for a brief fixed interval prescribed by rule.

(c) Assistance.—During the short hold, staff shall offer water or food where practicable and consistent with premises operations.

(d) Re-check.—Staff shall re-attempt checklist completion after the short hold.

(e) Escalation.—If uncertainty persists after re-check, the venue shall escalate to a named supervisor and follow the scripted decision tree.

(f) Logging.—The venue shall log the short hold, assistance offered, re-check attempt, escalation, the decision-maker, the time, and the outcome.

(g) No subjective-only sanction.—Sanctions shall be based on failure to follow the workflow, not on subjective visible-intoxication or capacity judgments alone.

(h) Service continuation under protocol.—The venue shall not automatically refuse service solely because observation is difficult in noise, lighting, crowding, or throughput conditions, unless refusal is required by a published checklist result, a lawful safety rule, or another provision of this Act.

SEC. 11. SESSION-STATE PATRON PACING CAP.

(a) Session-based cap.—A venue shall apply cumulative drinking or service limits across a patron session rather than only per transaction.

(b) Session beginning.—The patron session shall begin with the first qualifying service and shall remain in effect for the statutory rolling window adopted by rule.

(c) Anti-fragmentation.—A venue shall not split sales or service entries for the purpose of evading the cumulative cap.

(d) Patron token.—The patron session shall be linked to a patron token or equivalent recorded identifier generated at first qualifying service.

(e) Rolling window.—The administering authority shall establish by rule the length of the rolling session window, which shall be no less than 2 hours and no more than 4 hours, unless the Legislature by later enactment provides otherwise.

(f) Standard drink accounting.—The cumulative cap shall be measured by standard drinks or equivalent alcohol content units defined by rule.

(g) Circumvention detection.—The state may use clustered patron tokens and timestamps to identify circumvention patterns.

(h) Specific offense.—Cap circumvention by transaction fragmentation shall be a specific compliance offense under section 18.

SEC. 12. RE-QUALIFICATION AND RESET RULES.

(a) Exclusive reset path.—The cumulative cap may be reset only upon completion of the finite observable checklist, expiration of the cooling interval, and a logged supervisor override under the scripted decision tree.

(b) No open-ended reset.—A venue shall not create an open-ended reset mechanism outside this Act or rules adopted under this Act.

(c) Record of reset.—A reset shall be recorded with the time, reason, and approving supervisor identity.

(d) Narrow interpretation.—The reset rules shall be interpreted narrowly to prevent circumvention.

(e) Published criteria.—The administering authority shall publish the cooling interval and reset criteria by rule.

(f) Retention.—Venues shall retain reset logs in the same format and for the same period as the patron-session record.

(g) Invalid reset.—A reset granted through undisclosed discretion or undocumented exception shall not be valid for purposes of this Act.

(h) Circumvention.—Improper reset practices shall be treated as session-cap circumvention under section 11 and may support enhanced inspection or suspension under section 18.

SEC. 13. AUDIT, LOGGING, AND EVIDENCE BUNDLE.

(a) Required evidence bundle.—Before imposing a sanction for a service or provenance violation, the state shall produce the evidence bundle required by this Act.

(b) Components.—The evidence bundle shall include, as applicable—

(1) the transaction log and ID token record;

(2) the unit-level serialized provenance evidence; and

(3) the protocol log showing completion of the required steps under sections 8, 9, 10, 11, and 12.

(c) No analytics-only sanctions.—The state shall not impose a sanction solely on incident outcome analytics when the required evidence bundle is absent.

(d) Logging standards.—The administering authority shall specify log retention, format, export, authentication, and timestamp standards.

(e) Electronic transmission.—Logs may be transmitted electronically if the transmission preserves integrity and authenticity.

(f) Reliability weighting.—Evidence shall be evaluated with reliability weighting as authorized by section 14 and rules adopted under that section.

(g) Missing records.—Missing logs shall be distinguished from logs that are present but technically degraded or partially interrupted.

(h) Administrative record.—Audit staff shall record the evidentiary basis used for any recommendation for sanction, hold, or escalation.

SEC. 14. RELIABILITY-WEIGHTED PROOF AND BRIEF DEVICE FAILURE.

(a) Weighted credit for signed logs.—Cryptographically signed and timestamped logs meeting the reliability threshold may count at calibrated weight.

(b) Presumptive compliance.—A brief device failure shall trigger presumptive compliance for non-critical checklist completion only if the Short Hold + Assisted Re-Check workflow was followed.

(c) Anti-minimization rule.—A retailer shall not rely on missing logs to claim compliance if the missing records were omitted to avoid review.

(d) Minimum integrity threshold.—The administering authority shall publish the reliability threshold, weight factors, and acceptable recovery procedures by rule.

(e) Failure note.—When a device failure occurs, the venue shall create a failure note and restore records within the statutory window if feasible.

(f) Nonexcuse of tampering.—This section shall not excuse deliberate deletion, tampering, falsification, or concealment of records.

(g) Corroboration.—Repeated device-failure claims without corroboration may trigger forensic review.

(h) Limited presumption.—The presumptive compliance in subsection (b) applies only to the non-critical checklist components specified by rule and shall not apply to knowingly omitted eligibility records or knowingly falsified provenance records.

SEC. 15. KNOWN-OUTAGE PROTOCOL AND OUTAGE SAFETY DEFAULTS.

(a) Activation.—During a verified system outage or major audit backlog, the venue shall continue the checklist and uncertainty workflow and shall record patron identity tokens.

(b) Conservative cap.—The session cap shall tighten to the conservative default prescribed by rule during the outage window.

(c) Mandatory continuity.—Venues shall still perform the finite observable safety checklist and the Uncertainty-Tolerant Service protocol branch; they shall not drop safety steps.

(d) Limited sanction basis.—Sanctions during outage mode shall be limited to the outage obligations actually in force.

(e) Outage playbook.—The state shall publish an outage playbook, activation notice, and deactivation notice.

(f) Emergency waiver.—The outage playbook shall specify the conditions under which an emergency waiver may apply, which shall require verified eligibility to run the protocol safely.

(g) No opportunistic selective enforcement.—The emergency waiver shall not be used to impose ad hoc obligations or to target venues without the published outage criteria.

(h) Post-outage reconciliation.—After restoration, the authority shall reconcile outage logs against the safe-harbor or default records and may require correction of clerical errors that do not affect substantive compliance.

SEC. 16. ANTI-DISCRIMINATION AND ANTI-PROFILING LIMITS.

(a) Permitted audit selection criteria.—Inspection and audit prioritization shall rely on procedural noncompliance metrics and system-integrity indicators.

(b) No outcome-only trigger.—Incident analytics shall not alone trigger licensing restrictions absent the required evidentiary bundle.

(c) No quota-driven enforcement.—The state shall not adopt enforcement quotas based on arrest rates, injury rates, or other outcome-only proxies.

(d) Audit-selection publication.—The administering authority shall publish audit-selection criteria that exclude protected-group proxies and outcome-only triggers.

(e) Objective basis record.—Inspection staff shall record the objective basis for each targeted review.

(f) Ordinary investigation preserved.—Nothing in this section shall prevent ordinary warrant-based or cause-based investigation of fraud, adulteration, or unlicensed sale.

(g) Discriminatory private conduct.—Nothing in this section shall excuse discriminatory service practices by private actors.

(h) Review of profiling complaints.—The state shall maintain a complaint and review process for allegations that inspection, audit, or enforcement selection violated this section.

SEC. 17. CORRECTIVE ACTION, COACHING, AND FIRST-TIME DEFECTS.

(a) First-time defect response.—A first-time procedural defect shall trigger compliance-tech coaching and, if available, a voucher or equivalent support instead of suspension when the venue followed the uncertainty workflow in full.

(b) Training completion.—A venue shall complete prescribed corrective training after a first-time defect.

(c) Fine cap.—Fines shall be capped according to the retailer’s revenue tier.

(d) Publication of tiers.—Revenue-tier schedules shall be published and periodically adjusted for inflation or market changes.

(e) Exclusions.—This section shall not apply to knowing fraud, falsification, adulteration, unlicensed supply, deliberate concealment, or repeated willful evasion.

(f) Safe-harbor reliance.—A venue that completes coaching or corrective training within the time prescribed by rule shall preserve safe-harbor status for the first-time defect, subject to any other independent violation.

(g) Administrative support.—The administering authority shall make available training materials, compliance templates, and technology support mechanisms for eligible venues.

(h) Nonprohibition.—Corrective measures under this section shall not impose a hidden prohibition or an indefinite suspension of lawful licensed operations.

SEC. 18. SANCTIONS, SUSPENSION, AND REVOCATION STANDARDS.

(a) Authority to sanction.—The state may impose fines, suspension, or revocation only in accordance with this Act and the required evidence bundle.

(b) Written findings.—Suspension or revocation shall require a written statement of—

(1) the violated duty;

(2) the evidence relied upon; and

(3) the reason lesser measures were inadequate.

(c) Sanction matrix.—The administering authority shall adopt sanction matrices that distinguish among clerical error, procedural defect, reckless noncompliance, and willful misconduct.

(d) Proportionality.—Sanctions shall be proportional to the gravity, frequency, and culpability of the violation.

(e) Temporary restrictions.—Emergency temporary restrictions shall be time-limited and promptly reviewable.

(f) Escalation basis.—Willful or repeated violations of provenance, session-cap, or protocol duties may support escalated sanctions.

(g) Analytics limitation.—No sanction shall be imposed merely because a venue recorded an adverse incident if the evidentiary requirements are not satisfied.

(h) Appeal right.—A suspended or revoked licensee shall have a right to appeal under section 19.

SEC. 19. ADMINISTRATIVE HEARING, APPEAL, AND ROLLBACK.

(a) Expedited review.—A regulated person shall receive expedited administrative review of suspension or revocation.

(b) Hearing procedures.—The hearing office shall provide a prompt calendar, evidence submission rules, and an expedited decision timeline adopted by rule.

(c) Statutory window.—Automatic rollback shall apply if missing admissible logs are uploaded within the statutory window and the reliability threshold is met.

(d) Effect of rollback.—Rollback shall void sanctions tied only to the missing evidence.

(e) Additional violations unaffected.—Rollback shall not restore rights lost for a separate, independently supported violation.

(f) Interim submissions.—The appellant may submit corrected logs, affidavits, or independent verification within the statutory window.

(g) Record correction.—The agency shall update its records to reflect any rollback or reversal.

(h) Separate sanctions.—A sanction entered without required findings shall be subject to reversal or modification on appeal.

SEC. 20. INSPECTION, INVESTIGATIONS, AND ENFORCEMENT POWERS.

(a) Permitted inspection scope.—Inspectors may review records, inventory, provenance, and protocol logs as authorized by law.

(b) Fraud and adulteration investigations.—Investigations into fraud, adulteration, or unlicensed supply shall follow applicable warrant or administrative-compulsion rules.

(c) No quota-driven sweeps.—The state shall not use quota-driven sweeps to target licensed venues without objective grounds.

(d) Inspection record.—Inspectors shall record the basis, scope, and outcome of each inspection or investigation.

(e) Training.—The administering authority shall train inspectors on the distinction among provenance failures, protocol failures, outage-mode compliance, and ordinary clerical error.

(f) Minimal disruption.—Inspection powers shall be exercised with minimal disruption to lawful business operations.

(g) Cure of clerical defects.—Where feasible, the inspector shall permit a compliant venue to cure clerical defects before escalating.

(h) Abuse of authority.—Abuse of inspection authority may be grounds for internal discipline and any other remedy available under law.

SEC. 21. RULEMAKING, TECHNICAL STANDARDS, AND INTEROPERABILITY.

(a) Rulemaking authority.—The administering authorities may adopt rules only to implement this Act and may not expand substantive restrictions beyond statutory authorization.

(b) Technical standards.—Rules shall establish technical standards for provenance data, tokens, logs, retention, and outage notices.

(c) Interoperable formats.—Compliance technology shall use interoperable formats where reasonably practicable.

(d) Notice and comment.—Proposed rules shall be published for notice and comment or equivalent consultation as required by law.

(e) Guidance materials.—The authority shall publish implementation guidance, sample records, and software interface standards.

(f) Safe-harbor reliance.—A regulated person may rely on the official definitions crosswalk, guidance, and approved formats as a safe-harbor for good-faith compliance.

(g) Prospective application.—Any later interpretive change shall apply prospectively unless expressly made corrective and nonpunitive.

(h) Invalid excess rule.—A rule exceeding statutory authority shall be unenforceable to the extent of the excess.

SEC. 22. REPORTING, EVALUATION, AND PUBLIC TRANSPARENCY.

(a) Required reports.—The administering authority shall report on alcohol-related harm indicators, provenance compliance, session-cap circumvention, outage activation, appeal outcomes, rollback frequency, and first-time coaching usage.

(b) Sufficiency of data.—Reports shall include data sufficient to assess whether this Act reduced harmful consumption and alcohol-related violence without growth in unlicensed procurement proxies.

(c) Publication schedule.—Public summaries shall be published on a regular schedule established by rule, but not less than annually.

(d) Standardized templates.—Reporting templates shall be standardized so that state and local systems produce comparable data.

(e) Methodology statement.—The authority shall publish a methodology statement explaining measures, exclusions, limitations, and any change in measurement methods.

(f) Confidentiality.—Reports shall protect confidential personal data and investigative methods as required by law.

(g) Proprietary security.—Transparency requirements shall not compel disclosure of proprietary security details that would defeat compliance systems.

(h) Legislative review.—The Legislature may condition continued appropriations on timely reporting and may review the reports for renewal or amendment of this Act.

SEC. 23. APPROPRIATIONS, FEES, AND COST RECOVERY.

(a) Appropriation authorization.—There is hereby authorized to be appropriated from the General Fund, or such other fund as the Legislature may designate, such sums as are necessary to carry out this Act.

(b) Permissible uses.—Amounts appropriated under this section may be used for—

(1) provenance system development, maintenance, and interoperability;

(2) training for venue staff, supervisors, inspectors, and hearing officers;

(3) audit and inspection infrastructure;

(4) cryptographic log and verification tools;

(5) outage playbook administration;

(6) appeal and rollback processing; and

(7) compliance-tech vouchers and corrective support authorized by section 17.

(c) Fees.—The administering authority may assess reasonable licensing, inspection, or certification fees only to the extent authorized by existing law and only in amounts sufficient to defray administrative costs, subject to any fee waiver or reduction established by rule for small licensees.

(d) Cost recovery.—The state may recover reasonable administrative costs from persons found liable for knowing fraud, adulteration, unlicensed supply, or repeated willful noncompliance, subject to due process and any applicable cap in this Act or other law.

(e) No hidden prohibition.—Fees, appropriations, or cost-recovery mechanisms shall not be structured to create a de facto prohibition on lawful licensed alcohol access.

SEC. 24. IMPLEMENTATION TIMELINE AND TRANSITION.

(a) Day of enactment.—On the date of enactment, agencies shall begin harmonization review and publish interim guidance.

(b) Within 90 days after enactment.—Not later than 90 days after the date of enactment, the administering authority shall publish—

(1) the definitions crosswalk;

(2) the approved wholesaler list;

(3) token, log, and interchange standards;

(4) initial training materials; and

(5) the interim outage notice process.

(c) Within 120 days after enactment.—Not later than 120 days after the date of enactment, retailers and wholesalers shall begin provenance receiving records and inventory reconciliation in the approved format.

(d) Within 180 days after enactment.—Not later than 180 days after the date of enactment, the uncertainty-tolerant service checklist, the session-state cap rules, the outage playbook, and the hearing procedures shall be fully operational.

(e) Within 270 days after enactment.—Not later than 270 days after the date of enactment, inspection staff and venue supervisors shall complete mandatory training, and first compliance reports shall be due.

(f) Existing inventory.—During the transition period, the administering authority shall establish a process for reconciling existing lawful inventory with provenance requirements, including quarantine, scan, or verification procedures that preserve lawful commerce and public safety.

(g) Transition cure.—A regulated person shall be afforded a reasonable opportunity to cure a first transition-related clerical defect before suspension, provided the defect is not knowing fraud, adulteration, or unlicensed sourcing.

(h) Interim enforcement.—During the transition period, the administering authority shall prioritize education, technical assistance, and corrective action over suspension for first-time procedural defects.

SEC. 25. SEVERABILITY.

(a) Severability.—If any provision of this Act, or the application of any provision to any person or circumstance, is held invalid, the remainder of this Act and the application of the remaining provisions to any person or circumstance shall not be affected.

(b) Narrow construction of invalidity.—To the extent practicable, any invalid provision shall be severed or construed to preserve the operation of the remaining provisions.

SEC. 26. EFFECTIVE DATE; SUNSET.

(a) Effective date.—This Act shall take effect on the 30th day after enactment, except as otherwise provided in sections 23 and 24 and except that rulemaking and implementation activities authorized by this Act may begin upon enactment.

(b) Sunset.—This Act shall expire 4 years after the effective date unless reauthorized by the Legislature before that date.

(c) Renewal conditions.—Before reauthorization, the Legislature shall consider the reports required by section 22 and any independent evaluation of whether this Act reduced alcohol-related violence, harmful consumption, and alcohol-related harm without growth in unlicensed procurement proxies.

(d) Continuity of proceedings.—Any proceeding, appeal, sanction review, or record correction initiated before sunset shall continue to completion under the law in effect at the time of initiation unless the Legislature provides otherwise.

SEC. 27. RULE OF CONSTRUCTION REGARDING ADULT ACCESS.

(a) Preservation of lawful access.—Nothing in this Act shall be construed to prohibit lawful adult access to alcohol through licensed channels except as expressly provided by the eligibility, provenance, session-state, or safety requirements of this Act.

(b) No blanket prohibition.—No provision of this Act shall be interpreted to create a general prohibition on lawful adult alcohol possession, purchase, or consumption beyond the specific restrictions stated in this Act.

(c) State power reserved.—The State retains its authority to regulate alcohol for public health, safety, licensing, and administrative enforcement consistent with this Act and other applicable law.

SEC. 28. ADMINISTRATIVE SEPARATION OF DUTIES.

(a) Separation of functions.—The administering authority shall, by rule or order, separate inspection, prosecution recommendation, and hearing functions to the extent practicable to reduce bias and preserve procedural fairness.

(b) Record integrity.—A person who participates in inspection or investigation shall not adjudicate the same matter except as authorized by law.

(c) Conflicts of interest.—The administering authority shall adopt conflict-of-interest rules for personnel and contractors handling compliance data, audit data, or hearing evidence.

(d) Contractor duties.—A technology vendor or service provider that handles required compliance data shall comply with confidentiality, integrity, and retention standards adopted by rule and shall not alter substantive duties imposed by this Act.

SEC. 29. PUBLIC EDUCATION AND TECHNICAL ASSISTANCE.

(a) Education materials.—The administering authority shall make available plain-language compliance materials for retailers, wholesalers, supervisors, and inspectors.

(b) Technical assistance.—The state shall provide technical assistance for eligible small licensees regarding provenance scanning, logging, outage procedures, and appeal submission.

(c) Training certification.—The administering authority shall certify training for designated gate-checkers, supervisors, and compliance officers.

(d) Accessibility.—Education and assistance materials shall be made available in accessible formats and, where practicable, in the languages commonly used by licensees and workers in the jurisdiction.

SEC. 30. ENFORCEMENT OF UNLICENSED SUPPLY AND ADULTERATION.

(a) Investigative priority.—The attorney general, public prosecutor, or equivalent authority shall give enforcement priority to willful unlicensed supply, adulteration, forged provenance, and diversion conduct that threatens public safety.

(b) Evidentiary standards.—Investigations under this section shall follow applicable warrant-based or administrative-compulsion rules and shall not be based on quota-driven sweeps.

(c) Coordination.—The administering authority shall coordinate with public health, revenue, customs, or other relevant agencies to identify and address unsafe or unlicensed supply.

(d) No displacement mandate.—Nothing in this section shall be interpreted to require a venue to refuse lawful service beyond the specific obligations imposed by this Act.

SEC. 31. CONFIDENTIALITY AND DATA SECURITY.

(a) Confidential records.—Personal identifying information, health-related information, and investigative records shall be treated as confidential to the extent required by law.

(b) Access controls.—The administering authority shall implement access controls, audit trails, retention limits, and breach response procedures for compliance systems.

(c) Minimum necessary use.—The authority and its contractors shall collect and use only the information necessary to administer and enforce this Act.

(d) Unauthorized disclosure.—Unauthorized disclosure of required compliance data shall be subject to applicable civil, administrative, and criminal penalties under existing law.

SEC. 32. ANNUAL REVIEW OF TECHNICAL STANDARDS.

(a) Annual review.—The administering authority shall review, at least annually, the technical standards for provenance data, patron tokens, logs, outage notices, and reliability thresholds.

(b) Modification standard.—Any modification shall preserve interoperability, evidentiary integrity, anti-discretion limits, and safe-harbor reliance.

(c) Public notice.—Material revisions shall be published with a summary of the change and the reason for the change.

SEC. 33. ADMINISTRATIVE REMEDIES AND PRIVATE RIGHTS.

(a) Administrative remedies exclusive as to licensing actions.—Except as otherwise provided by law, licensing sanctions under this Act shall be pursued through the administrative and judicial review procedures established by law.

(b) No implied private right.—Nothing in this Act shall be construed to create a private right of action unless the Legislature expressly provides otherwise.

(c) Existing remedies preserved.—Nothing in this Act shall be construed to limit any remedy otherwise available under general law for fraud, personal injury, employment harm, discrimination, assault, or other actionable conduct.

SEC. 34. IMPLEMENTATION ACCOUNTABILITY.

(a) Agency compliance.—Each administering authority shall designate an accountable officer responsible for implementation.

(b) Internal review.—Each administering authority shall conduct internal review of implementation, including audit selection, sanction reversal, rollback, and outage activation decisions.

(c) Corrective plans.—If a report under section 22 or an internal review identifies a material failure, the responsible authority shall issue a corrective plan within 60 days.

(d) Legislative notice.—The responsible authority shall notify the Legislature of any material failure that threatens implementation of this Act.

SEC. 35. CONFORMING AMENDMENTS AND CROSS-REFERENCES.

(a) Conforming amendments.—The Legislature authorizes conforming amendments to existing licensing, public health, administrative, and penalty provisions as necessary to carry out this Act.

(b) Cross-reference control.—A cross-reference to a repealed, superseded, or renumbered provision shall be deemed to refer to the corresponding provision of this Act or the successor provision adopted by conforming amendment.

(c) Technical correction.—The administering authority may publish technical corrections to forms, labels, and cross-references that do not alter substantive rights or duties.

SEC. 36. PRESERVATION OF NONDISCRIMINATORY SERVICE AND LABOR PROTECTIONS.

(a) Lawful nondiscrimination rules.—Nothing in this Act shall be construed to authorize discrimination in public accommodations, employment, licensing, or service in violation of other applicable law.

(b) Labor protections.—Nothing in this Act shall diminish occupational health, wage, hour, scheduling, or workplace safety protections otherwise applicable to employees, supervisors, or contractors.

(c) Safety-sensitive work.—Nothing in this Act shall be construed to displace any separate fitness-for-duty, impairment, or safety-sensitive work rule applicable under other law.

SEC. 37. ADMINISTRATIVE TREATMENT OF TRANSITIONAL ERRORS.

(a) Clerical corrections.—The administering authority shall permit correction of clerical errors in good-faith records without penalty where the error does not affect traceability, eligibility, or substantive safety compliance.

(b) Correction window.—The authority shall establish a correction window for transitional errors by rule.

(c) No penalty for good-faith correction.—A venue that corrects a transitional clerical error within the correction window shall not be penalized for the corrected error, absent separate misconduct.

SEC. 38. PROHIBITION ON OPEN-ENDED DISCRETION.

(a) Limitation on discretion.—No provision of this Act, and no rule adopted under this Act, shall confer open-ended discretion to refuse service, impose a sanction, or deny safe-harbor treatment where this Act requires a logged workflow, a finite checklist, a scripted decision tree, or evidence-gated enforcement.

(b) Required explanation.—If a supervised decision or refusal is made under sections 9 through 12, the venue shall record the basis in the protocol log in the format required by rule.

(c) Administrative review.—A regulated person may challenge a refusal or sanction that relies on undisclosed discretion inconsistent with this section.

SEC. 39. REPORT ON UNLICENSED PROCUREMENT PROXIES AND DISPLACEMENT.

(a) Displacement metrics.—The annual report under section 22 shall include, to the extent measurable, indicators of unlicensed procurement proxies, adulteration proxies, and displacement away from licensed channels.

(b) Comparative analysis.—The administering authority shall compare current indicators to the baseline established under section 1 or by the public health authority.

(c) Corrective action recommendation.—If the authority identifies an increase in unlicensed procurement proxies attributable to implementation design, it shall recommend corrective action, including adjustment of outage procedures, training, safe-harbor lists, or session-cap rules.

SEC. 40. AUTHORITY TO ADOPT INTERIM GUIDANCE.

(a) Interim guidance.—Prior to the effective date of rules adopted under this Act, the administering authority may issue interim guidance necessary to implement the transition provisions of this Act.

(b) Limitation.—Interim guidance shall not impose substantive obligations beyond those expressly stated in this Act.

(c) Publication.—Interim guidance shall be published and made available to licensees without charge.

SEC. 41. EFFECT ON PENDING MATTERS.

(a) Pending matters.—Any pending inspection, audit, hearing, suspension, or review on the effective date of this Act shall be adjusted, to the extent practicable, to conform to the evidentiary, due-process, and rollback provisions of this Act.

(b) Retroactivity limitation.—Nothing in this Act shall be applied retroactively to create a new penalty for conduct completed before the effective date, except as necessary to preserve the State’s ability to complete a pending administrative or judicial proceeding under preexisting law.

SEC. 42. MISCELLANEOUS ADMINISTRATIVE AUTHORITY.

(a) Forms and templates.—The administering authority shall publish forms, templates, and electronic schemas necessary to carry out this Act.

(b) Help line.—The administering authority shall maintain a help line or equivalent support channel for licensees regarding compliance, outages, appeals, and corrections.

(c) Public dashboard.—The authority may maintain a public dashboard displaying aggregate compliance and reporting metrics that do not disclose confidential or proprietary information.

(d) Advisory consultation.—The authority may convene retailers, wholesalers, public health personnel, and hearing officers for consultation regarding implementation issues.

SEC. 43. FINAL CLAUSE.

This Act shall be liberally construed to advance the stated purposes, to preserve lawful adult access through licensed channels, to reduce alcohol-related harm, to prevent unsafe diversion and black-market growth, to ensure administrable enforcement, and to protect due process and fairness in licensing administration.

Analytical Comparison

The generated bill establishes a regulated legal alcohol market with provenance controls, licensing, session-state service rules, product-safety mechanisms, and targeted enforcement. It diverges from the historically weak prohibition model and is closer to an administrable harm-reduction regime.

6. Case Analysis

Kansas 2012 income tax cuts / pass-through exemption

Case type: historically weak or adverse practice.

Historical Legal Regime

Kansas's 2012 tax reform sharply reduced individual income-tax rates and exempted substantial pass-through business income from taxation. The regime was framed as a supply-side growth experiment intended to increase investment, employment, and business formation. Its architecture granted broad tax relief while giving a limited role to automatic fiscal guardrails, benefit conditions tied to additional jobs, and sunset mechanisms capable of limiting revenue losses if growth did not materialize.

Normative Request

Design a state-level economic-growth law for a jurisdiction seeking more business formation, employment, and investment, but also needing stable funding for schools, infrastructure, and core public services.

Empirical Evidence

Brookings describes the Kansas tax experiment as producing sluggish growth, lower-than-expected revenues, and cuts to government programs. Hayes's synthetic-control analysis shows a nearly 50% gap in personal income-tax receipts between Kansas and its synthetic control by fiscal years 2014-2015, with no detected increase in GDP per capita or usual weekly work hours. The benchmark treats this as evidence of fiscal-risk failure for large unfunded tax cuts without guardrails.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Large unfunded income-tax cuts and full pass-through income exemptions justified by assumed self-financing growth, without credible fiscal triggers or protection for public-service capacity. Preferred architecture: Evidence-conditioned tax changes with fiscal triggers, base-broadening or offsetting revenue, targeted investment incentives, sunset/review clauses, protection of core services, and automatic correction if revenue or growth assumptions fail.

Generated Bill

A BILL

To promote economic growth through a deterministic single-portal business entry system and refundable investment credits; to establish a Ring-Fenced Core Services Fund and authorize short-maturity Core Services Notes for the continuity of protected public services; to provide for objective audit, recapture, and appeal procedures; to condition certain incentive benefits on employer compliance with wage, hour, and health coverage requirements; to provide for relation to existing law, rulemaking, reporting, enforcement, transition, severability, and an effective date; and for other purposes.

Be it enacted by the Legislature of the State of __________:

SECTION 1. SHORT TITLE, FINDINGS, AND PURPOSES.

(a) Short title.--This Act may be cited as the "Growth and Core Services Ring-Fence Act".

(b) Legislative findings.--The Legislature finds and declares that:

(1) business formation, permit processing, tax-account readiness, and private investment are advanced when state filing processes are unified, objective, and time-limited;

(2) schools, infrastructure, and core public services require protected financing arrangements that are insulated from revenue stress and incentive volatility;

(3) a single portal for covered business filings reduces duplicative submissions, administrative latency, and sequencing delays;

(4) a ring-fenced public services fund supported by dedicated revenues and short-maturity notes may be used to prevent interruption of protected public services during revenue shortfalls, subject to constitutional and statutory debt limitations;

(5) incentive grants create fiscal uncertainty and may be replaced by transferable, refundable credits with escrowed recapture protections and capped recovery rules;

(6) objective audit rules, fixed schedules, and bounded administrative remedies reduce uncertainty and improve compliance;

(7) employer-side wage, hour, and health coverage conditions may be imposed as a condition of certain incentive eligibility without requiring worker-facing repayment; and

(8) this Act is intended to increase business formation, employment, and investment while preserving stable funding for schools, infrastructure, and core public services.

(c) Purposes.--The purposes of this Act are to:

(1) accelerate business formation, permit processing, tax-account readiness, and investment through a deterministic, single-portal administrative system;

(2) establish a legally segregated Ring-Fenced Core Services Fund to support schools, infrastructure, and enumerated core public services;

(3) authorize short-maturity Core Services Notes as a temporary financing backstop solely for service continuity during revenue shortfalls;

(4) replace covered incentive grants with transferable, refundable tax credits subject to statutory caps, escrowed recapture holds, and bounded recovery;

(5) require objective audits, fixed timelines, and transparent reporting;

(6) provide administrative appeal and enforcement procedures; and

(7) provide for relation to existing law, transition, severability, and an effective date.

(d) Construction.--This Act shall be construed to:

(1) favor timely action on covered filings;

(2) preserve protected public service funding as expressly provided in this Act;

(3) limit administrative discretion to the extent necessary to carry out objective standards, published criteria, and fixed deadlines; and

(4) be implemented in a manner consistent with applicable constitutional, appropriations, debt, tax, procurement, labor, privacy, and public records law.

SEC. 2. DEFINITIONS.

(a) In general.--For purposes of this Act, the following definitions shall apply:

(1) "Agency" means a department, board, commission, office, authority, or other instrumentality of the State that administers a covered filing, covered permit, covered registration, tax-account creation, incentive, audit, fund, note, or enforcement action under this Act.

(2) "Applicant" means a natural person, business entity, nonprofit entity, cooperative, partnership, corporation, limited liability company, trust, or other person that submits a covered filing under this Act.

(3) "Authorized issuer" means the State Treasurer or another officer or authority designated by law to issue Core Services Notes under this Act.

(4) "Audit" means a review, examination, verification, or recertification conducted under this Act of a covered filing, credit, award, payroll report, benefits report, escrow hold, recapture event, or compliance status.

(5) "Audit timeline" means the period beginning on the date an audit notice is issued and ending on the date on which the audit is required to be completed under this Act.

(6) "Business formation filing" means a filing, application, registration, charter submission, organizational document, assumed name filing, or other submission required by the State for the formation or commencement of a business entity or business operation.

(7) "Complete filing" means a covered filing that contains all information, documents, attestations, fees, and authorizations required by statute or published rule for completeness review, without regard to final merits determination.

(8) "Completeness notice" means a written or electronic notice stating that a filing is complete.

(9) "Conditional approval" means a statutory disposition that authorizes an activity subject to express statutory conditions that are stated in the final order or certificate.

(10) "Core public services" means the programs, functions, operations, and services designated in subsection (h) of this section and in any annex incorporated by reference in this Act.

(11) "Core Services Notes" or "Notes" means short-maturity obligations issued under Section 12 of this Act for the limited purpose of preventing interruption of protected public services during a revenue shortfall.

(12) "Covered filing" means any business formation filing, permit application, registration, tax-account application, incentive application, renewal, amendment, transfer, or other submission specified by this Act or by rule adopted under this Act for processing through the single portal.

(13) "Covered worker" means an employee who meets the objective hours-worked, duties, and status criteria established by statute or by rule adopted under this Act for purposes of incentive eligibility.

(14) "Credit" means a transferable, refundable tax credit issued under Section 15 of this Act.

(15) "Credit issuance" means the creation, certification, allocation, transfer, reservation, or refundability recognition of a credit under this Act.

(16) "Dedicated revenues" means the revenues expressly identified in Section 11 of this Act for deposit in the Ring-Fenced Core Services Fund, including any other revenue source that is expressly added by statute for deposit into that fund.

(17) "Deemed completeness" means the statutory status arising when the agency fails to issue a completeness notice or deficiency notice within the completeness review period.

(18) "Deemed compliance" means the statutory treatment of an administrative step, audit response, or other ministerial compliance element as satisfied because the administering authority failed to complete a required action within the time required by this Act, except that deemed compliance shall not apply to fraud, willful concealment, or material misstatement.

(19) "Deficiency notice" means a written or electronic notice that specifies each missing item, defect, omission, or correction required for a filing to become complete.

(20) "Department of revenue" means the State department or equivalent agency responsible for tax-account administration.

(21) "Employer-paid health coverage" means health coverage that is provided or paid for by the employer for covered workers and that meets the coverage, contribution, actuarial value, and plan-design requirements specified by this Act or by rule adopted under this Act.

(22) "Final decision" means an approval, denial, conditional approval, or other disposition authorized by statute for a covered filing.

(23) "Final decision deadline" means the deadline assigned to an application class under the objective risk tier schedule published under Section 5 of this Act.

(24) "Filing year" means the calendar year or fiscal year, as applicable, for which the objective risk tier schedule is published and applied.

(25) "Fixed waterfall" means the statutorily required order of priority for deposit, reserve replenishment, debt service, repayment, and any other authorized application of revenues or proceeds under this Act.

(26) "Fast-track eligibility" means priority, expedited, or otherwise preferential processing or treatment authorized under this Act for an applicant, employer, or credit recipient.

(27) "Health coverage metric" means the objective standards for covered worker eligibility continuity, benefit value, employee contribution limits, and affiliate aggregation established under Sections 19 and 20 of this Act.

(28) "Lead administrator" means the officer or agency designated to operate the single portal and coordinate covered filings under this Act.

(29) "Material misstatement" means an intentional or reckless statement, omission, document alteration, or certification error that is material to eligibility, issuance, retention, recapture, or compliance under this Act.

(30) "Note proceeds" means money received from the issuance of Core Services Notes.

(31) "Objective proxy" means a measurable, published, non-discretionary indicator or record used to evaluate compliance, performance, or eligibility under this Act.

(32) "Objective risk tier" means a classification of a covered filing class, established by published criteria under Section 5 of this Act, that determines the final decision deadline applicable to that class.

(33) "Permitting eligibility status" means an interim state-created status that authorizes an applicant to proceed with activities, filings, or downstream state processes as expressly provided by this Act.

(34) "Portal" or "single portal" means the centralized digital system established under Section 3 of this Act through which covered filings are submitted, routed, tracked, and status-managed.

(35) "Protected categories" means K-12 support, infrastructure maintenance, and enumerated core public services.

(36) "Public records" means records subject to disclosure, retention, or inspection under applicable law.

(37) "Recapture" means the recovery by the State of credit amounts, escrow amounts, penalties, or other recoverable sums as provided by this Act.

(38) "Recapture hold" or "escrow-funded recapture hold" means the escrowed amount, bond, reserve, or other secured amount required to be maintained in connection with a credit issuance for possible future recapture under this Act.

(39) "Ring-Fenced Core Services Fund" or "RF-CSF" means the segregated fund created under Section 10 of this Act.

(40) "Runoff appropriation" means a limited appropriation established for the payment or liquidation of already-issued credits or other lawful obligations after a judicial narrowing under Section 18 of this Act.

(41) "Short-maturity" means a maturity period not exceeding the period specified by law for Core Services Notes and otherwise consistent with applicable debt limitations and appropriation requirements.

(42) "Temporary tax account" means a provisional tax-account status created under Section 8 of this Act pending final agency action.

(43) "Transferable" means capable of transfer, assignment, sale, or other authorized disposition according to the rules and limits of this Act.

(44) "Transferable, refundable tax credit" means a credit that may be transferred and, to the extent not used to offset liability, refunded or paid in cash or as otherwise authorized by this Act.

(45) "Worker training and wage-stabilization trust" means a trust, fund, or similar account established under Section 20 of this Act for payment of employer-side penalties and authorized worker-support disbursements.

(b) Additional statutory terms.--The following additional terms shall have the meanings set forth in the subsections indicated:

(1) "Applicant" includes an employer that applies for a covered incentive, fast-track status, or permit.

(2) "Agency" includes any local or regional authority participating in coordinated review under Section 9 of this Act to the extent of such participation.

(c) Objective risk tiers.--The objective risk tier schedule shall define at least three filing classes by objective criteria, which may include:

(1) the nature of the regulated activity;

(2) the level of public health, safety, financial, or environmental risk as measured by published indicators;

(3) the complexity of interagency coordination required; and

(4) whether the filing is a renewal, amendment, or original application.

(d) Administrative step.--An administrative step includes ministerial intake, data transmission, status entry, calendar computation, notice generation, document indexing, portal routing, and record certification.

(e) Complete filing and deemed completeness.--For purposes of this Act, a filing shall be complete when all statutory and published-rule requirements have been submitted through the portal and the filing has passed completeness review or is deemed complete under this Act.

(f) Dedicated revenues.--Dedicated revenues may include only those revenue streams expressly designated by statute for deposit in the RF-CSF, and may not include money dedicated by other law to an inconsistent use unless the other law is amended to permit such deposit.

(g) Core Services Notes.--Core Services Notes shall be issued only in accordance with Sections 12 and 14 of this Act and shall not be used as a general operating financing tool.

(h) Protected categories.--Protected categories include:

(1) K-12 education operations, support, maintenance, transportation, and related school services specified by statute;

(2) infrastructure maintenance, repair, preservation, safety, and asset management for state roads, bridges, public works, water systems, wastewater systems, and other listed infrastructure; and

(3) enumerated core public services designated in the annex to this Act, which may include emergency response, essential public health functions, corrections operations, veterans' services, child protective services, and other services expressly listed by statute.

SEC. 3. SINGLE PORTAL ESTABLISHMENT.

(a) Establishment required.--The State shall establish and operate a single portal for business formation, tax-account creation, permitting, registration, incentive administration, status tracking, notices, and appeal filing under this Act.

(b) Administration.--The lead administrator shall:

(1) operate the portal or contract for its operation under procurement law;

(2) ensure that each covered filing can be submitted through the portal;

(3) coordinate routing of each filing to all agencies with jurisdiction over the filing;

(4) assign a receipt number and timestamp to each filing;

(5) maintain a public-facing status record for each filing; and

(6) provide alternative-access submission methods for applicants who are unable to use the digital portal, including in-person, mail, or assisted-digital submission methods, provided that the portal remains the authoritative system of record.

(c) Submission exclusivity.--The State may not require a covered applicant to submit the same core information through multiple unrelated state systems, except that:

(1) the portal may require the applicant to identify the downstream agency or permit class to which the filing applies;

(2) an agency may request a narrowly tailored follow-up submission to cure a deficiency or supply information missing from the original filing; and

(3) local or federal filings that are not governed by this Act may be separately required by other law.

(d) Accepted filings.--The administering authorities shall accept covered filings through the portal and shall treat the portal receipt as the official filing date and time for all deadlines under this Act.

(e) System requirements.--The portal shall:

(1) use a secure authentication mechanism;

(2) preserve audit trails of all status changes, filings, notices, and user actions;

(3) assign each filing to the responsible agency or agencies;

(4) permit tracking of completeness review, final decision deadlines, provisional status, and appeal deadlines;

(5) provide document upload, receipt, and confirmation functions;

(6) permit publication of the objective risk tier schedule and all nonconfidential rules incorporated by reference;

(7) support data exchange with tax, permitting, audit, fund, and credit systems necessary to administer this Act; and

(8) preserve records in accordance with law.

(f) Public log.--The lead administrator shall maintain a public log of:

(1) portal uptime and downtime;

(2) aggregate filing counts by application class;

(3) aggregate completeness notices, deficiency notices, deemed completeness determinations, approvals, denials, conditional approvals, and provisional approvals; and

(4) average processing times by objective risk tier.

(g) Prohibition on undocumented requirements.--No agency shall impose a filing requirement, document request, fee, or status prerequisite that is not stated in statute, published rule, or a deficiency notice issued under this Act.

(h) Authority to adopt standards.--The lead administrator, in consultation with the Department of Revenue, the Secretary of State or equivalent business authority, and each relevant permitting agency, shall adopt portal standards, file formats, notice templates, routing rules, and data-sharing protocols necessary to implement this section.

(i) Nonduplication.--To the extent practicable and consistent with law, the portal shall reuse information already collected by the State from the same applicant for prior filings, registrations, or accounts, provided that the applicant has not revoked authorization to use such information.

(j) Records as official records.--Records transmitted, maintained, or generated through the portal shall be official records for purposes of deadlines, appeals, audit, and enforcement under this Act.

SEC. 4. UNIFIED FILING CONTENT AND COMPLETENESS REVIEW.

(a) Completeness review required.--Each covered filing shall be reviewed for completeness within 10 business days after submission through the portal.

(b) Agency duty.--Within the completeness review period, the agency shall issue:

(1) a completeness notice;

(2) a deficiency notice; or

(3) a deemed-complete status if the filing is treated as complete by operation of this Act or rule.

(c) No restart absent new submission or documented amendment.--The agency shall not restart the completeness review period unless:

(1) the applicant submits a new filing;

(2) the applicant submits a documented amendment through the portal; or

(3) a statute expressly authorizes a restarted review for a specified filing class.

(d) Contents of deficiency notice.--A deficiency notice shall:

(1) identify each missing item or defect;

(2) cite the statute, rule, or published requirement on which the deficiency is based;

(3) state the manner of cure;

(4) state the deadline for cure, if any; and

(5) state whether the cure may be submitted through the portal.

(e) Cure procedure.--An applicant may cure a deficiency by submitting the missing item, correction, or explanation through the portal. Upon cure:

(1) the portal shall timestamp the cure submission;

(2) the agency shall review only the cured item or items, unless the cure changes the filing class or legal category; and

(3) any related statutory deadline shall be recalculated only to the extent expressly required by law.

(f) Limitation on completeness review.--Completeness review shall be limited to objective missing-information checks and shall not include final merits review, policy balancing, or discretionary ranking.

(g) Deficiency waiver prohibited.--An agency may not waive a statutory deficiency requirement except where a statute expressly permits a waiver for a stated filing class.

(h) Deemed completeness.--If the agency fails to issue a completeness notice or deficiency notice within the completeness review period, the filing shall be deemed complete at the close of the tenth business day.

(i) Notice of deemed completeness.--The portal shall issue a deemed-complete notice automatically when deemed completeness arises under subsection (h).

(j) Relation to final decision deadlines.--The completeness review period shall not replace or extend the final decision deadline under Section 6 except as expressly provided by this Act.

(k) Public posting.--The lead administrator shall publish standardized completeness checklists for each filing class, which shall be the exclusive checklist for completeness review unless a statute or published rule states additional items.

SEC. 5. OBJECTIVE RISK TIER PUBLICATION.

(a) Annual publication required.--The responsible authority shall publish an objective risk tier schedule annually before the start of the applicable filing year.

(b) Contents of schedule.--The schedule shall:

(1) assign each covered application class to a fixed final decision window;

(2) identify the objective criteria used for each tier;

(3) state the completeness review assumptions, if any, that affect deadline calculation;

(4) identify any statutory exceptions applicable to the class;

(5) be posted on the portal; and

(6) be published in a manner reasonably calculated to provide notice to affected applicants and the public.

(c) Objective criteria.--The criteria used to assign a filing class to a tier shall be objective and may include:

(1) nature of the regulated activity;

(2) number of agencies requiring review;

(3) safety, financial, environmental, or public-interest indicators published by statute or rule;

(4) prior compliance history, if expressly authorized as a factor; and

(5) filing complexity measured by published features.

(d) Midyear alteration prohibited.--The agency shall not alter a tier midyear except by statute or express emergency enactment.

(e) Emergency enactment.--An express emergency enactment altering a tier shall:

(1) state the emergency basis with particularity;

(2) specify whether the change applies prospectively only;

(3) identify the covered filing classes affected; and

(4) state the effective date and duration of the change.

(f) Retroactivity barred.--No midyear change shall be applied retroactively to a filing already accepted as complete unless the applicant expressly consents or another statute requires retroactivity and does not conflict with this Act.

(g) Failure to publish.--If the objective risk tier schedule is not published before the filing year begins, the agency shall apply the most favorable published deadline then in effect to the applicant until the new schedule is published, except that no deadline may be extended beyond the maximum period expressly authorized by statute.

(h) Public comment.--Before final publication, the responsible authority shall provide a public comment period of not less than 30 days on the draft tier schedule unless an express emergency enactment makes such period impracticable.

(i) Finality.--Once published, the schedule shall govern all covered filings submitted during the filing year, subject to express statutory exceptions and the completeness rules of this Act.

SEC. 6. FINAL DECISION DEADLINES.

(a) Final decision required.--The agency shall issue a final approval, denial, conditional approval, or other statutory disposition within the final decision deadline applicable to the filing class.

(b) No holding beyond deadline.--The agency may not hold a complete filing beyond the final decision deadline absent a specific statutory exception identified in this Act or another express statute that is not inconsistent with this Act.

(c) Deadline extensions.--The agency may extend the final decision deadline only if:

(1) the extension ground is expressly listed in this Act or an applicable express statute;

(2) the extension is narrowly tailored to the listed ground;

(3) the agency issues a written extension notice before the original deadline expires; and

(4) the extension length does not exceed the maximum extension authorized for that ground.

(d) Extension grounds.--Express extension grounds may include:

(1) an applicant's failure to timely supply requested information;

(2) a pending criminal, civil, or administrative enforcement action that by law prohibits final approval;

(3) a required interagency or local approval that has not been issued and for which the agency lacks unilateral authority;

(4) a public safety inspection that must be completed before issuance; and

(5) any other ground expressly enacted by statute for the relevant filing class.

(e) Written request for additional information.--If the agency needs additional factual information, the agency shall issue a written request before the final decision deadline expires, stating:

(1) the specific information requested;

(2) the legal basis for the request;

(3) the deadline for response;

(4) the consequence of nonresponse; and

(5) whether the request tolls or extends the deadline under this Act.

(f) Applicant response.--The applicant may respond through the portal within the statutory response period.

(g) Contents of final decision.--A final decision shall include:

(1) the disposition;

(2) the factual basis;

(3) the statutory authority relied upon;

(4) any condition imposed;

(5) any appeal rights and deadlines; and

(6) any provisional status or conversion rule applicable after the decision.

(h) No informal queue delay.--The agency may not use informal review queues, internal sequencing, back-office routing, or interagency handoff delay to evade the final decision deadline.

(i) Automatic recording.--The portal shall record the deadline date, any tolling or extension, and the final disposition for each filing.

(j) Statutory exceptions construed narrowly.--Any statutory exception to the final decision deadline shall be construed narrowly and may not be expanded by rule.

SEC. 7. AUTOMATIC PROVISIONAL AUTHORIZATION.

(a) Trigger.--If the agency misses the final decision deadline for a complete filing, the applicant shall receive automatic provisional approval or authorization subject to this section and any narrowly defined conditions stated by statute.

(b) Immediate effect.--The state shall create any provisional status immediately upon deadline failure.

(c) No separate manual approval.--The agency shall not require a separate manual approval step before the provisional status takes effect.

(d) Scope.--A provisional approval or authorization shall:

(1) apply only to the activity, permit, registration, or status covered by the filing;

(2) remain subject to later final action, recertification, or revocation as provided by law;

(3) not waive applicable fraud, safety, or material-misstatement enforcement; and

(4) not authorize activity beyond the scope of the covered filing.

(e) Conditions.--If the statute imposes conditions on provisional status, the conditions shall:

(1) be stated in statute or in a final decision template adopted by rule;

(2) be objective and administrable;

(3) be limited to the filing class; and

(4) be capable of implementation through the portal and downstream agency systems.

(f) Duration.--The provisional status shall remain effective until the earliest of:

(1) final approval;

(2) final denial;

(3) expiration under a statute governing the filing class; or

(4) termination for fraud, material misstatement, or another express statutory ground.

(g) Notice.--The portal shall issue a provisional-status notice identifying the statutory basis, scope, conditions, and any expiration or conversion rule.

(h) Downstream recognition.--Each state agency and officer with jurisdiction over the covered filing shall recognize the provisional status as legally effective for the limited purposes stated in this Act.

(i) No implied waiver.--Provisional status shall not waive a statutory requirement not expressly suspended by this Act.

SEC. 8. TEMPORARY TAX ACCOUNT AND PERMITTING ELIGIBILITY.

(a) Immediate creation upon completeness.--Upon acceptance of a filing as complete, the state shall create a temporary tax account and permitting eligibility status immediately.

(b) No later manual approval.--The agency may not require a later manual approval step before account readiness takes effect.

(c) Duration.--The temporary status shall remain effective until the earliest of:

(1) final approval;

(2) final denial;

(3) expiration under a statute applicable to the filing class;

(4) suspension or termination for fraud, material misstatement, or express statutory disqualification; or

(5) conversion to another statutory status.

(d) Scope of temporary tax account.--The temporary tax account may be used only for the lawful reporting, registration, withholding, remittance, or readiness functions stated by statute or rule.

(e) Unique identifier.--The Department of Revenue shall assign a unique identifier to each temporary tax account.

(f) Transmittal.--The portal shall transmit the temporary account and eligibility status to the Department of Revenue and any relevant permitting agency within one business day, or sooner if the system can transmit immediately.

(g) Records.--The Department of Revenue shall maintain audit-ready records of all temporary tax accounts created under this section, including dates of creation, conversion, termination, and final disposition.

(h) Limitation.--Temporary tax-account creation shall not be construed to waive liability, tax collection authority, or compliance obligations not expressly suspended by this Act.

(i) Conversion.--Upon final approval, the temporary account shall convert to the regular tax account or permit status required by law without requiring a new application unless another law expressly requires a new application.

SEC. 9. RELATION TO LOCAL AND EXISTING PERMITTING LAW.

(a) Covered filings subject to this Act.--This Act applies to any covered filing that the Legislature has assigned to the single portal and to any filing class specified by rule under authority granted by this Act.

(b) State preemption of duplicative filing requirements.--To the extent a state agency administers a covered filing under this Act, no other state agency shall impose a duplicate state-level filing requirement for the same core information.

(c) Local review.--A local government may retain substantive zoning, land use, building, fire, environmental, or health review authority to the extent not expressly displaced by state law, but a local authority may not impose a conflicting timing rule on a state-created provisional status unless expressly authorized by statute.

(d) Coordinated review.--Where local approval is required in addition to state approval, the portal shall route the filing to the local authority and track local action deadlines if provided by local ordinance or intergovernmental agreement.

(e) Preservation of police power.--This Act shall not be construed to abolish nonconflicting local police powers, except to the extent expressly preempted for covered filings and timing rules.

(f) Conflict rule.--If a local rule or later agency rule conflicts with a deadline, provisional status, or temporary tax account created under this Act, this Act shall control.

(g) Existing law.--This Act supplements existing permitting and licensing statutes. To the extent of conflict, this Act controls unless another statute expressly and specifically provides otherwise.

SEC. 10. RING-FENCED CORE SERVICES FUND CREATION.

(a) Fund created.--There is created in the State Treasury the Ring-Fenced Core Services Fund.

(b) Segregation.--The RF-CSF shall be a legally segregated fund separate from the general fund, incentive accounts, and any other fund not expressly designated as part of the RF-CSF.

(c) Permitted receipts.--The RF-CSF shall receive only:

(1) dedicated revenues;

(2) proceeds of Core Services Notes;

(3) investment earnings attributable to moneys in the RF-CSF, subject to law;

(4) repayments, recoveries, or recaptures that are expressly directed to the RF-CSF by statute; and

(5) any other receipts expressly authorized by law.

(d) Permitted uses.--The RF-CSF may be used only for:

(1) protected categories;

(2) lawful debt-service and repayment obligations related to Core Services Notes;

(3) reserve replenishment as provided by law; and

(4) any other use expressly authorized by this Act.

(e) Prohibition on commingling.--No officer or agency may commingle RF-CSF moneys with unrestricted moneys.

(f) Separate accounting.--The State Treasurer shall maintain separate accounts within the RF-CSF for:

(1) dedicated revenue receipts;

(2) reserve balances;

(3) note proceeds;

(4) debt-service obligations;

(5) protected category outlays; and

(6) any other subaccount required by rule or accounting law.

(g) Separate audit.--The RF-CSF shall be audited separately from general operating accounts at least annually.

(h) Public reporting.--The State Treasurer shall publish a public report of RF-CSF balance, receipts, disbursements, reserve status, and note-related obligations at intervals established by rule, but not less than quarterly.

(i) Restricted use.--The RF-CSF may not be used for incentive spending or discretionary transfers except to the extent expressly authorized by this Act and only when such use does not conflict with Section 13.

SEC. 11. DEDICATED REVENUES AND DEPOSIT WATERFALL.

(a) Dedicated revenues identified.--The following revenue streams are dedicated revenues for purposes of this Act:

(1) a statutorily specified portion of sales and use tax receipts, if enacted by separate law;

(2) a statutorily specified portion of business-formation filing fees and renewal fees;

(3) a statutorily specified portion of licensing and permit fees related to covered filings;

(4) a statutorily specified portion of tax receipts expressly dedicated to the RF-CSF by law;

(5) repayments, recoveries, and recaptures directed to the RF-CSF;

(6) investment earnings allocated to the RF-CSF; and

(7) any other revenue source expressly designated by statute for deposit into the RF-CSF.

(b) Deposit obligation.--The State Treasurer shall deposit dedicated revenues into the RF-CSF not later than the time required by accounting law and in accordance with the statutory waterfall.

(c) Fixed waterfall.--The Treasurer shall apply deposits in the following order, or in another order expressly required by statute:

(1) amounts required for transaction costs and administrative expenses of the RF-CSF;

(2) amounts required to restore a minimum operating reserve level;

(3) amounts required to satisfy current debt service on Core Services Notes;

(4) amounts required to replenish any reserve or sinking account established under this Act; and

(5) amounts available for protected categories.

(d) Priority protected.--The order of priority set forth in subsection (c) shall not be altered by administrative rule to reduce protected-service funding priority.

(e) No diversion before allocations.--The State may not divert dedicated revenues to nonprotected uses before satisfying required RF-CSF allocations.

(f) Ledger tracking.--The Treasurer shall maintain a ledger showing:

(1) receipts by source;

(2) allocations under the waterfall;

(3) balances by subaccount;

(4) transfers, if any;

(5) reserve status; and

(6) any diversion or adjustment authorized by statute.

(g) Unauthorized diversion.--Any unauthorized diversion of dedicated revenues shall be subject to audit, accounting correction, injunctive relief, and any other remedy authorized by law.

SEC. 12. CORE SERVICES NOTES AUTHORIZATION.

(a) Authorization.--If draw projections indicate a shortfall in the RF-CSF, the authorized issuer may issue Core Services Notes.

(b) Limited purpose.--The Notes shall be issued only for the purpose of preventing interruption of protected public services during a revenue shortfall.

(c) Short-maturity requirement.--The Notes shall be short-maturity obligations, and shall mature within the period specified by law and consistent with applicable constitutional and statutory debt limitations.

(d) Conditions precedent.--Before issuance, the authorized issuer shall:

(1) prepare a shortfall finding based on draw projections and actual cash position;

(2) certify that issuance is necessary to prevent interruption of protected public services;

(3) verify that issuance complies with applicable debt, appropriation, and pledge limits; and

(4) notify the fiscal council and the legislative fiscal committees in the manner required by law.

(e) Issuance terms.--The Notes shall state:

(1) principal amount;

(2) maturity date;

(3) interest rate or formula, if any;

(4) repayment source;

(5) pledged revenues or security, if any;

(6) reserve or liquidity provisions, if any; and

(7) any covenants or conditions required by law.

(f) Limitation on amount.--The aggregate principal amount of Notes outstanding at any time shall not exceed the cap established by law.

(g) No general operating use.--Note proceeds may not be used for general incentive spending, discretionary transfers, or any use not expressly authorized by this Act.

(h) Public disclosure.--The authorized issuer shall publish note issuance information, outstanding principal, maturity schedule, and repayment status on a public dashboard not later than 5 business days after issuance and thereafter at intervals established by rule.

(i) Compliance with law.--Nothing in this section shall be construed to authorize the issuance of debt in violation of any constitutional, statutory, or contractual limitation.

SEC. 13. SERVICE PROTECTION DURING NOTE OUTSTANDING PERIOD.

(a) Automatic service protection rule.--While Core Services Notes are outstanding, the RF-CSF and note proceeds shall not be used for incentive spending or discretionary transfers not expressly authorized by this Act.

(b) Protected categories continue.--During the period in which Notes are outstanding, protected categories shall be funded and administered without interruption except as expressly permitted by law.

(c) Accounting controls.--The State Treasurer shall implement accounting controls that prevent disbursement of RF-CSF moneys or note proceeds for unauthorized purposes while Notes are outstanding.

(d) Prohibited uses.--While Notes are outstanding, neither the RF-CSF nor note proceeds may be used:

(1) to fund incentive grants;

(2) to fund discretionary transfers to the general fund;

(3) to offset unrelated budget deficits; or

(4) for any purpose not expressly authorized by this Act.

(e) Exceptions.--Nothing in this section prohibits:

(1) repayment of Notes as authorized by Section 14;

(2) reserve replenishment as authorized by this Act; or

(3) expenditure for protected categories.

(f) Notice of outstanding period.--The Treasurer shall publish the date on which Notes become outstanding and the date on which the last outstanding Note matures, redeems, or is repaid.

(g) Emergency protection.--Any emergency expenditure affecting protected categories shall be treated as protected category spending if authorized by law and accounted for in the RF-CSF.

SEC. 14. DEBT-SERVICE GOVERNANCE AND REPAYMENT WATERFALL.

(a) Repayment source limited.--Repayment of Core Services Notes shall come only from RF-CSF dedicated revenues, except to the extent otherwise required by constitution or express statute.

(b) Fixed repayment waterfall.--The Treasurer shall apply dedicated revenues to repayment of Notes in the statutory order of priority set forth in this section and Section 11.

(c) Payment order.--The repayment waterfall shall, in the absence of a contrary statute, provide for the following order:

(1) payment of transaction costs and administrative expenses directly related to the Notes;

(2) deposit to any reserve or sinking account required by the Notes;

(3) payment of current interest;

(4) payment of current principal; and

(5) payment of matured or accelerated obligations, if any, in the manner required by law.

(d) Underperformance.--If dedicated revenues underperform, repayment may be delayed to the extent provided by law, but protected-service funding shall remain in force.

(e) No impairment of protected categories.--Nothing in this section shall be construed to require reduction of protected categories to satisfy Note repayment.

(f) Monthly reporting.--The Treasurer shall report monthly, or at another interval required by rule, on:

(1) dedicated revenues received;

(2) amounts applied to debt service;

(3) reserve balances;

(4) maturities scheduled; and

(5) any payment deferral, reserve draw, or covenant event.

(g) Default management.--If a default event occurs or is imminent, the authorized issuer shall notify the Treasurer, the fiscal council, and the legislative fiscal committees and shall propose a cure plan consistent with law.

SEC. 15. INCENTIVE PROGRAM REPLACEMENT WITH TRANSFERABLE REFUNDABLE CREDITS.

(a) Replacement of grants.--Any covered incentive grant, discretionary cash award, or similar covered incentive program shall, to the extent provided by law and within available appropriations, be replaced by transferable, refundable tax credits under this section.

(b) Credit issuance cap.--Credits may be issued in advance only up to the statutory cap established by law for the applicable award year or other applicable period.

(c) Credit certificates.--The Department of Revenue shall issue, record, and track credit certificates in a form prescribed by rule. Each certificate shall state:

(1) the recipient;

(2) the credit amount;

(3) the eligibility basis;

(4) the issue date;

(5) the transfer rules;

(6) the recapture hold requirement;

(7) the expiration date, if any; and

(8) any other condition required by law.

(d) Refundability.--A credit that exceeds the recipient's tax liability shall be refundable or payable in cash in the manner authorized by law.

(e) Transferability.--A credit may be transferred only in accordance with this Act and any implementing rule governing registration, notice, and recognition of transfer.

(f) Escrow-funded recapture hold required.--Each credit issuance shall be paired with an escrow-funded recapture hold that is sufficient, under the formula set by rule, to secure possible recapture, penalties, or administrative costs authorized by law.

(g) Escrow administration.--The Department of Revenue or another designated fiduciary shall hold, record, and release recapture holds under rules that:

(1) ensure segregation of escrowed amounts;

(2) permit release only upon statutory conditions;

(3) permit recapture only upon final determination or settlement authorized by law;

(4) maintain a ledger showing the amount held, released, forfeited, or applied; and

(5) provide notice to the recipient and transferee of record.

(h) No ad hoc grants.--No agency may create a covered incentive grant or discretionary award outside the credit system established by this section unless another statute expressly authorizes it.

(i) Budget predictability.--The annual aggregate amount of advance credit issuance shall be limited by the cap and by the funding, escrow, and reserve rules set forth in this Act.

SEC. 16. ESCROW RECAPTURE, PENALTIES, AND LIMITS ON RECOVERY.

(a) Trigger for recapture.--If compliance fails, a credit is disallowed, a material misstatement is discovered, or another statutory disallowance ground is established, the State may seek recapture as provided by this section.

(b) Recovery limit.--Recapture shall be limited to:

(1) the escrow-funded recapture hold;

(2) any capped civil penalty expressly authorized by statute; and

(3) any interest or administrative charge expressly authorized by law and not inconsistent with this section.

(c) No uncapped retroactive recovery.--The State may not impose uncapped retroactive recovery beyond the limits stated in subsection (b).

(d) No retroactive reduction of protected appropriations.--The State may not reduce school, infrastructure, or core-service appropriations retroactively because of an incentive disallowance.

(e) Notice and determination.--Before recapture is imposed, the Department of Revenue shall issue written notice stating:

(1) the basis for the proposed recapture;

(2) the amount proposed to be recaptured;

(3) the evidentiary basis;

(4) the period for response or appeal; and

(5) the method of payment or withholding, if applicable.

(f) Finality.--Recapture shall be imposed only after final agency action or final judicial action, as applicable, except that a recipient may voluntarily remit an amount in settlement under law.

(g) Deposit of recovered amounts.--Recovered amounts shall be deposited as directed by law, which may include deposit into the RF-CSF, the general fund, or another designated account only if expressly authorized.

(h) Separate accounting.--The Department of Revenue shall maintain separate accounts for escrow holds, penalties, recovered amounts, and any refunded overcollections.

(i) Limitation on successor liability.--Successor liability for recapture shall apply only to the extent expressly authorized by statute and only to the extent consistent with due process and contract law.

SEC. 17. OBJECTIVE AUDIT RULES AND FIXED TIMELINES.

(a) Audit standards.--Audits under this Act shall use objective proxies and fixed timelines.

(b) Audit timeline.--The administering authority shall complete each audit within the statutory period specified for the relevant matter. If no period is specified for a matter, the default audit period shall be the period established by rule, which shall not exceed 180 days after commencement absent an express finding of extraordinary complexity.

(c) Notice of audit.--The audit notice shall state:

(1) the scope of the audit;

(2) the objective proxies or records to be used;

(3) the records requested;

(4) the response deadline;

(5) the audit timeline;

(6) the consequence of failure to produce requested records; and

(7) the appeal rights available under this Act.

(d) Document production.--The audited person may submit records through the portal or other designated channel within the response period.

(e) No open-ended review.--The administering authority may not keep an audit open beyond the audit timeline except as expressly authorized by statute or by a written extension grounded in extraordinary complexity, material misstatement, or fraud.

(f) Deemed compliance for administrative steps.--If the audit is not completed within the audit timeline, the administrative steps required solely for the audit shall be deemed satisfied, except where the authority has issued a timely notice supported by allegations of fraud or material misstatement.

(g) Fraud and material misstatement preserved.--Nothing in this section limits the State's authority to investigate or enforce against fraud, willful concealment, or material misstatement.

(h) Objective proxies.--Objective proxies may include payroll records, tax returns, plan documents, plan summaries, statutory filings, third-party certifications, payroll feed data, capital expenditure records, and any other non-discretionary record specified by rule.

(i) Audit reporting.--The auditor shall publish aggregate annual statistics on audits commenced, completed, extended, deemed satisfied, adjusted, and appealed.

(j) Independence.--Audits of credits, recapture holds, and employer conditions shall be conducted by personnel or contractors selected under conflict-of-interest rules adopted by the State.

SEC. 18. JUDICIAL NARROWING AND ROLLOVER TREATMENT.

(a) Prospective application.--Any judicial narrowing of credit eligibility, credit administration, or incentive qualification under this Act shall apply prospectively to new credits or future installments only, unless a court expressly orders otherwise under controlling law.

(b) Existing credits preserved.--Already-issued credits shall remain valid, subject to lawful recapture for fraud, material misstatement, or other express statutory grounds, unless a final court order requires a different treatment.

(c) Runoff appropriation.--If a court narrows or invalidates a credit rule, the Legislature may establish a runoff appropriation to liquidate already-issued credits or lawful obligations.

(d) Protected categories not used.--A runoff appropriation under this section shall not be paid from RF-CSF protected categories or from any account that would reduce protected-service funding.

(e) Administrative continuity.--During any judicial runoff period, the Department of Revenue shall continue to process claims, transfers, refunds, and recaptures under the preexisting rules to the extent permitted by law.

(f) Public notice.--The Department of Revenue shall publish notice of any judicial narrowing and the applicable prospective effective date, runoff treatment, and claim procedures.

(g) No retroactive expansion of liability.--Judicial narrowing shall not be implemented to expand retroactive liability beyond the limits expressly authorized by law.

SEC. 19. EMPLOYER-SIDE LABOR-FLOOR CONDITIONS FOR INCENTIVE ELIGIBILITY.

(a) Eligibility conditions.--An employer seeking or retaining a credit, fast-track eligibility, or other covered incentive benefit shall comply with the wage, hour, and health coverage conditions in this section.

(b) Wage and hour compliance.--The employer shall maintain compliance with applicable wage and hour law for covered workers during the award term.

(c) Employer-paid health coverage.--The employer shall maintain employer-paid health coverage for covered workers in accordance with the health coverage metric.

(d) Objective reporting.--The employer shall report the required payroll, hours, and benefits data through the portal or a payroll feed in the format prescribed by rule.

(e) Covered worker identification.--Covered workers shall be identified by objective criteria established by statute or rule, including hours-worked thresholds and other non-discretionary criteria.

(f) Affiliate aggregation.--For purposes of determining compliance, the agency shall aggregate related entities under common control, successor entities, and any affiliated structure used to provide labor or benefits support, as defined by rule.

(g) Benefit-value metric.--The employer shall maintain the benefit-value tolerance and employee contribution limits established by rule, measured against the baseline period or award-year standard set at award issuance.

(h) Scheduling predictability.--The employer shall comply with scheduling predictability and minimum-hours requirements established by rule for covered workers.

(i) No gaming by reclassification.--An employer may not evade this section by shifting workers among affiliates, contractors, staffing arrangements, or artificial classifications in order to reduce coverage, benefits, or hours reported under this section.

SEC. 20. LABOR-CONDITION REMEDIES AND WORKER PROTECTION.

(a) Employer-side remedies only.--If an employer fails a labor-floor condition, the State may impose only the remedies authorized by this section.

(b) Remedies.--Authorized remedies may include:

(1) forfeiture of remaining credits;

(2) loss of fast-track eligibility;

(3) loss of permit prioritization conferred by this Act;

(4) an employer-side civil penalty, if expressly authorized by law; and

(5) payment into the Worker Training and Wage-Stabilization Trust.

(c) No worker-facing repayment.--The State shall not require worker-facing repayment, wage clawback, benefit clawback, or benefit reduction as a remedy for employer noncompliance.

(d) Trust established.--There is established the Worker Training and Wage-Stabilization Trust, which shall be administered by a neutral board appointed in the manner established by law.

(e) Permitted trust uses.--The trust may be used only for:

(1) worker training;

(2) wage-stabilization payments;

(3) transition assistance;

(4) administrative expenses authorized by law; and

(5) other worker-support uses expressly authorized by statute.

(f) Interim protection.--If verification is contested or delayed, the trust shall provide time-bounded provisional wage-stabilization payments to eligible covered workers within the statutory disbursement window, based on the employer's payroll feed and the objective criteria established by rule.

(g) Provisional compliance on administrative defects.--A defect in record production, form completion, or portal transmission that is not a metric failure shall be subject to a cure period for administrative defects. A metric failure shall require prospective correction only, effective for the next payroll period or schedule period, as applicable.

(h) No delay in normal wages.--Nothing in this Act authorizes delay in the payment of wages already earned.

(i) Appeal rights.--An employer may appeal a labor-condition determination under Section 21.

SEC. 21. APPEALS, STAYS, AND ADMINISTRATIVE REVIEW.

(a) Right to appeal.--The Act shall provide for administrative appeal of final agency actions under this Act, including decisions relating to completeness, final disposition, provisional status, credits, recapture, audit findings, labor-condition determinations, and fund administration to the extent permitted by law.

(b) Filing of appeal.--An appeal shall be filed through the portal or another designated channel within the deadline stated in the agency's final action.

(c) Records on appeal.--The agency shall compile and transmit the administrative record, including portal logs, notices, filings, audit materials, and final findings, within the period established by rule.

(d) Review officer.--The appeal shall be heard by a designated hearing officer, administrative law judge, board, or other impartial reviewer established by law.

(e) Decision deadline.--The reviewer shall issue a written decision within the deadline established by rule or statute.

(f) Scope of review.--Review shall be limited to the record unless a statute authorizes supplementation.

(g) Stays.--A stay may apply only as expressly authorized by statute or by the reviewer under standards established by law, and shall not disrupt protected public-service execution or the automatic operation of the service protection rule in Sections 12 and 13.

(h) Interim relief.--The reviewer may grant interim relief only within the bounds of statutory authority and only upon a finding that such relief will not impair protected category funding or note repayment.

(i) Final order.--Final agency or appeal orders shall state the evidence relied upon, the statutory authority, the result, and any further judicial review rights.

(j) Exhaustion.--No person shall be required to exhaust a nonstatutory internal review step not identified in this Act before seeking judicial review, if judicial review is otherwise available.

SEC. 22. RULEMAKING, IMPLEMENTATION, AND REPORTING.

(a) Rulemaking required.--The administering authorities shall adopt implementing rules within 180 days after the effective date of this Act, except that rules necessary for portal operation, filing classification, or emergency implementation shall be adopted sooner if practicable.

(b) Required rules.--Rules shall be adopted, at minimum, to govern:

(1) portal access, file format, routing, and receipt;

(2) completeness review and deficiency notices;

(3) objective risk tier schedules and publication procedures;

(4) final decision deadlines and extensions;

(5) provisional status and temporary tax accounts;

(6) fund accounting and waterfall procedures;

(7) note issuance, repayment, and reporting;

(8) credit issuance, transfer, refund, and escrow holds;

(9) audit proxies, audit timelines, and deemed compliance;

(10) labor-floor metrics, reporting, and remedies;

(11) appeals and stays; and

(12) public dashboards and data-sharing standards.

(c) Dashboards.--The administering authorities shall publish public dashboards for:

(1) portal performance;

(2) fund balances;

(3) note status;

(4) credit issuance and recapture;

(5) audit timeliness;

(6) compliance outcomes; and

(7) labor-condition determinations and remedies.

(d) Periodic reports.--The lead administrator, the Department of Revenue, the State Treasurer, and any other designated authority shall report to the Legislature at least quarterly during the first two years after implementation and at least annually thereafter.

(e) Contents of report.--Each report shall include:

(1) the number of covered filings received;

(2) the number of completeness notices, deficiency notices, deemed completeness determinations, final approvals, denials, conditional approvals, and provisional approvals;

(3) average processing times by objective risk tier;

(4) RF-CSF balances and dedicated revenue receipts;

(5) Note issuance, outstanding principal, maturity schedule, and repayment status;

(6) credit issuance, transfer, refund, escrow hold, recapture, and appeal activity;

(7) audit start and completion rates, extensions, and deemed compliance determinations;

(8) labor-condition compliance and remediation data; and

(9) any recommendation for statutory amendment.

(f) Data sharing.--The authorities shall coordinate data sharing necessary to administer this Act, subject to privacy, confidentiality, and public records law.

(g) Privacy and security.--Rules adopted under this Act shall include data-security standards, access controls, retention requirements, and breach-response procedures.

(h) Rule conflict.--A rule that conflicts with a statutory deadline, protected category, recovery limit, or service protection rule under this Act shall be void to the extent of the conflict.

SEC. 23. ENFORCEMENT, COMPLIANCE, AND REMEDIES.

(a) Enforcement authority.--The Attorney General, the Department of Revenue, the State Treasurer, the lead administrator, and any other agency designated by law shall enforce this Act within their respective jurisdictions.

(b) Civil action.--The Attorney General may bring a civil action to enforce this Act, to restrain an unauthorized diversion, to compel required accounting, or to recover amounts subject to lawful recapture or correction.

(c) Injunctive relief.--A court may grant injunctive relief to prevent an unauthorized diversion of RF-CSF moneys, an unauthorized issuance or use of Notes, an unauthorized incentive expenditure, or an unauthorized administrative practice that violates this Act.

(d) Administrative penalties.--The administrative remedies in this Act are cumulative to the extent not prohibited by law.

(e) Audit cooperation.--Any applicant, recipient, employer, transferee, or agency subject to this Act shall cooperate with audits, record requests, and compliance verification required under this Act.

(f) Records retention.--Records required by this Act shall be retained for the period established by law or rule, whichever is longer, and shall be made available for audit and enforcement as permitted by law.

(g) Nonexclusive remedies.--The remedies provided in this Act are in addition to any other remedy available under law, except that recovery for incentive noncompliance shall remain subject to the caps and limits expressly stated in this Act.

(h) Misuse of portal.--A person who knowingly submits false information through the portal, alters records, or interferes with the portal's operation shall be subject to any civil, administrative, or criminal penalty authorized by law.

SEC. 24. PROTECTED CATEGORY STANDARDS, SERVICES, AND ANTICROWDOUT.

(a) Standards authorized.--The Legislature may establish objective service-level standards for protected categories, including staffing timeliness, maintenance backlog measures, emergency response windows, or other measurable proxies.

(b) Anti-crowd-out.--Neither the RF-CSF, the Incentive Ledger, the Notes, nor any refund or recapture mechanism under this Act shall be administered in a manner that reduces a protected category below a statutory floor or below a service-level standard established by law.

(c) Continuity of covered contracts.--For protected categories, multi-year hiring authorizations and multi-year contracting authority that are valid under law shall remain enforceable and shall not be paused, reduced, or re-timed solely because of an Incentive Ledger diversion, note issuance, or incentive suspension event.

(d) Service-level reporting.--The responsible agency for each protected category shall report compliance with any service-level standard on the schedule established by law and shall identify any corrective transfer, appropriation, or operational response taken.

(e) Corrective action.--If a protected category fails a statutory service-level standard, the responsible agency shall submit a corrective action plan and, if authorized by law, shall request a corrective transfer or appropriation.

SEC. 25. TRANSITION, PHASE-IN, AND EXISTING MATTERS.

(a) Transition plan.--Within 60 days after the effective date of this Act, the lead administrator, the Department of Revenue, the State Treasurer, and any other designated agency shall submit a joint transition plan for implementing the portal, the RF-CSF, the Notes, the credit system, the audit system, and the labor-condition rules.

(b) Legacy filings.--Covered filings pending on the effective date shall be transferred into the portal workflow and shall retain the filing date and status protections available under law, subject to any express transition rule in this section.

(c) Legacy incentive awards.--Existing incentive grants, awards, or commitments shall be converted to the credit system, to the extent legally permissible, under conversion rules adopted by statute or rule. Conversion shall not impair vested rights except as expressly authorized by law.

(d) Existing audits.--Existing audits or recapture proceedings may continue under prior law to the extent not inconsistent with this Act, but the audit timeline, deemed compliance rules, and recapture limits of this Act shall apply prospectively to administrative steps occurring after the effective date, unless a statute expressly provides otherwise.

(e) Existing notes or obligations.--Any preexisting obligations of the State shall remain governed by their terms unless amended or refinanced in accordance with law.

(f) No retroactive service reduction.--Nothing in this transition section shall be construed to reduce school, infrastructure, or core-service appropriations retroactively because of a converted incentive, audit adjustment, or recapture event.

(g) Phased implementation.--The portal, temporary tax account, objective risk tier publication, credit issuance, escrow administration, and note issuance functions may be phased in by rule in a sequence that the lead administrator certifies will preserve continuity and compliance.

(h) Interagency migration.--Each agency shall cooperate in migrating records, notices, deadlines, and status data into the portal, subject to privacy and security law.

SEC. 26. RELATION TO EXISTING LAW.

(a) Supplementation.--This Act supplements existing licensing, tax, permitting, revenue, finance, budget, labor, procurement, and public records law.

(b) Specific control.--If a provision of this Act conflicts with another provision of state law, the more specific provision shall control, and if the conflict cannot be reconciled, this Act shall control to the extent of the conflict unless another statute expressly and specifically provides otherwise.

(c) Appropriations limitation.--Nothing in this Act shall be construed to appropriate money in violation of constitutional or statutory appropriation requirements.

(d) Debt limitation.--Nothing in this Act shall be construed to authorize debt issuance in violation of constitutional, statutory, or contractual debt limitations.

(e) Tax conformity.--Nothing in this Act shall be construed to require a tax treatment inconsistent with federal law or otherwise applicable state tax conformity law.

(f) Procurement law.--Any procurement required under this Act shall be conducted under applicable procurement law unless this Act expressly provides a different procedure.

(g) Labor law.--Nothing in this Act shall be construed to waive wage, hour, workplace safety, anti-discrimination, or employee-protection laws.

(h) Public records and confidentiality.--This Act shall be administered consistently with public records, confidentiality, and privacy laws applicable to applicant, taxpayer, worker, and financial data.

SEC. 27. APPROPRIATIONS AND FUNDING AUTHORITY.

(a) Administrative appropriations.--There are appropriated, to the extent necessary and subject to the availability of funds, amounts sufficient to implement this Act, including the portal, the Department of Revenue's credit and escrow functions, the State Treasurer's accounting and note functions, audit operations, and public reporting functions.

(b) Program funding.--Amounts required for the operation of the RF-CSF, the Notes, the credit system, and the Worker Training and Wage-Stabilization Trust shall be funded as authorized by this Act and other applicable law.

(c) Contingent appropriations.--If separate appropriations are required for implementation, the budget office shall submit a request to the Legislature within the time required by law, specifying the amounts necessary for each agency or function.

(d) No implied appropriation.--No provision of this Act shall be construed as an appropriation except where expressly stated or necessarily implied by a specific funding provision in this Act and permitted by law.

SEC. 28. SEVERABILITY.

(a) Severability.--If any provision of this Act or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application.

(b) Remaining provisions.--To this end, the provisions of this Act are declared severable.

SEC. 29. EFFECTIVE DATE; RULES.

(a) Effective date.--This Act shall take effect on July 1 following enactment, except as otherwise provided in this section.

(b) Immediate effect provisions.--Sections 1, 2, 22, 23, 26, 27, 28, and this section shall take effect upon enactment.

(c) Delayed operational provisions.--Sections 3 through 21 shall become operative on the date certified by the lead administrator as the date on which the portal and related agency systems are ready to accept covered filings, but not later than 180 days after enactment, unless the Legislature by statute extends the date.

(d) Interim rules.--The lead administrator, the Department of Revenue, the State Treasurer, and other designated agencies may adopt interim rules and emergency procedures necessary to implement this Act before the operative date of Sections 3 through 21.

(e) Sunset review.--Unless reauthorized by statute, the Legislature shall review the Act's operational provisions not later than 5 years after the operative date. Any sunset or reauthorization shall apply prospectively and shall not disturb rights, obligations, or recoveries already vested or accrued under this Act, except as expressly provided by law.

(f) No delay of statutory duties.--Agency failure to adopt rules, publish schedules, or complete implementation shall not suspend or delay any duty, deadline, protection, or remedy established by this Act, except to the extent a court determines otherwise under controlling law.

(g) Certification of readiness.--The lead administrator shall certify to the Governor, the Legislature, and the State Treasurer when the single portal is operational and when the temporary tax-account function and filing-routing function are live.

(h) Initial publications.--The objective risk tier schedule, completeness checklists, portal user guidance, and implementation timetables shall be published before the portal begins accepting covered filings for the operative provisions of this Act.

SECTION 30. ANNEX OF ENUMERATED CORE PUBLIC SERVICES.

(a) Annex incorporated.--The following programs and functions are designated as core public services for purposes of this Act, subject to additional statutory specification and amendment only by law:

(1) K-12 education operations, support, maintenance, transportation, special education support, and classroom services;

(2) state highway, bridge, transit-support, roadway preservation, and public infrastructure maintenance;

(3) emergency response operations, disaster response support, and continuity functions;

(4) essential public health functions;

(5) corrections operations necessary for lawful custody and safety;

(6) child protective services and family safety response functions;

(7) veterans' services;

(8) essential information technology and cybersecurity functions necessary to operate protected categories;

(9) other state functions expressly designated by statute as core public services.

(b) Amendment.--The annex may be amended only by statute.

(c) Construction.--The annex shall be construed to include the minimum operations necessary to maintain lawful service continuity in the listed categories.

SECTION 31. ADMINISTRATIVE CAPACITY AND STAFFING.

(a) Staffing allotment.--The Legislature may establish a capped staffing allotment for audits, portal administration, fund accounting, note administration, and credit administration under this Act.

(b) Separation from protected operations.--Staffing for the administration of this Act shall be segregated from staffing required to operate protected categories to the extent practicable and consistent with law.

(c) Capacity planning.--Each administering authority shall maintain a capacity plan that identifies workload, staffing, training, and systems required to meet the deadlines in this Act.

(d) No operational freeze.--Administrative disputes under this Act shall not freeze or suspend the operation of protected categories.

SECTION 32. CONFORMING PROVISIONS.

(a) Conforming amendments.--The Legislature may enact conforming amendments to the tax code, business statutes, permitting laws, finance statutes, appropriation acts, and procurement statutes necessary to implement this Act.

(b) Authority pending conforming amendments.--Until conforming amendments are enacted, this Act shall govern to the extent of any conflict and the administering authorities shall implement it consistent with existing law.

SECTION 33. REPEALER.

(a) Repeal of inconsistent provisions.--All laws or parts of laws inconsistent with this Act are repealed to the extent of the inconsistency.

(b) Savings clause.--Repeal under this section shall not impair any right, obligation, claim, defense, recapture, appeal, or liability already accrued under law prior to the effective date, except as expressly provided by this Act.

SECTION 34. INTERPRETIVE RULE.

(a) Liberal administration for timing provisions.--Timing provisions in this Act shall be administered to ensure that filing status changes, notices, and provisional statuses occur without unnecessary delay.

(b) Narrow construction of exceptions.--Exceptions to deadlines, fund protections, recovery limits, and prospective-only rules shall be construed narrowly.

(c) No implied authority.--No agency shall exercise implied authority to override a deadline, a protected category, a recovery limit, or a fund segregation requirement established by this Act.

SECTION 35. PUBLIC EDUCATION AND OUTREACH.

(a) Outreach required.--The lead administrator, the Department of Revenue, and the State Treasurer shall provide public education and outreach concerning the single portal, temporary tax accounts, objective risk tiers, the RF-CSF, Notes, credits, escrow holds, audit procedures, and appeals.

(b) Materials.--The agencies shall publish plain-language guides, filing checklists, deadlines, and contact information on the portal and in other accessible formats.

(c) Business and worker notice.--The agencies shall provide notice to applicants, employers, credit recipients, and covered workers of rights, duties, deadlines, and remedies established by this Act.

SECTION 36. NO PRIVATE RIGHT OF ACTION LIMITATION.

(a) No implied private right.--Nothing in this Act shall be construed to create a private right of action except to the extent expressly provided by this Act or another statute.

(b) Existing rights preserved.--This section shall not limit any right of action otherwise available under law that does not depend on implication from this Act.

SECTION 37. REFERENCES AND INCORPORATION BY RULE.

(a) Incorporation by reference.--The administering authorities may incorporate by reference objective forms, schedules, filing templates, and technical standards necessary to implement this Act, provided that such materials are publicly available.

(b) Notice of incorporation.--Any incorporated material shall be identified in rule or publication and made available through the portal.

SECTION 38. CONSTRUCTION AGAINST EVASION.

(a) Anti-evasion.--A person or agency may not structure a transaction, classification, filing, contract, affiliate arrangement, transfer, or accounting entry to evade the deadlines, protections, caps, conditions, or recovery limits of this Act.

(b) Substance over form.--The administering authorities shall determine compliance according to the substance of the transaction or status, not merely its label, where necessary to enforce this Act.

SECTION 39. BUDGET TRANSPARENCY AND FISCAL REVIEW.

(a) Fiscal review.--The budget office or equivalent nonpartisan fiscal authority shall prepare an annual review of:

(1) the RF-CSF;

(2) Note issuance and repayment;

(3) credit issuance and recapture;

(4) implementation costs; and

(5) projected effects on protected categories.

(b) Public release.--The annual review shall be public and shall be transmitted to the Legislature not later than the date established by law.

SECTION 40. EFFECT ON PRIOR AWARDS AND SETTLEMENTS.

(a) Prior awards.--Any prior award, settlement, consent order, or administrative agreement that is inconsistent with this Act shall be interpreted, if possible, to conform to this Act prospectively.

(b) No impairment absent law.--Nothing in this Act shall be construed to impair contractual obligations or final judgments except as permitted by law.

(c) Settlement authority.--The State may enter into settlements under this Act only if the settlement complies with the caps, segregation, and protected-service limitations stated in this Act.

SECTION 41. GENERAL CLAUSE.

(a) Administering authorities.--The lead administrator, Department of Revenue, State Treasurer, fiscal council, auditor, and Attorney General shall each perform the duties assigned by this Act and by rule or other law consistent with this Act.

(b) Cooperation.--All state agencies shall cooperate in carrying out this Act.

(c) Mandatory effect.--The duties imposed by this Act are mandatory and shall be implemented according to the deadlines and procedures stated in this Act.

Analytical Comparison

The generated bill uses fiscal triggers, guarded incentives, revenue monitoring, and service-protection mechanisms. It avoids the core Kansas failure mode: broad unfunded tax cuts justified by assumed self-financing growth.

7. Case Analysis

California Three Strikes law

Case type: historically weak or adverse practice.

Historical Legal Regime

California's Three Strikes law imposed mandatory sentence enhancements on persons with prior serious or violent felony convictions. A second strike doubled the sentence, and a third strike could produce a sentence of 25 years to life, including in cases where the new felony was not itself a serious violent offense under the original structure. The regime was broad, highly mandatory, and produced long-term prison-population effects beyond a narrow focus on high-risk violent recidivism.

Normative Request

Design a law to reduce serious repeat violent crime by high-risk offenders while avoiding excessive incarceration of aging or low-risk offenders, racial disparity, prison overcrowding, and perverse incentives toward more violent conduct.

Empirical Evidence

California LAO explains that the law could produce a 25-years-to-life sentence even when the third felony was nonserious or nonviolent if prior serious or violent convictions existed. A Berkeley report notes that more than one third of California prisoners in January 2022 had sentence enhancements associated with Three Strikes. NBER research finds mixed crime effects and possible increases in violent-crime incentives. The evidence supports a narrower, risk-based sentencing architecture rather than broad mandatory enhancement.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Broad mandatory life or very long sentences triggered by repeat convictions including nonviolent third offenses, with little individualized risk assessment or cost-effectiveness review. Preferred architecture: Risk-based sentencing focused on serious violent offenses, proportionality, parole and reentry controls, prevention and rehabilitation funding, judicial review, and outcome auditing for recidivism, violence, cost, and disparity.

Generated Bill

A BILL

To establish a targeted incapacitation framework for persons convicted of a new serious violent felony who have two prior qualifying violent convictions; to require corroborated, auditable evidence for placement on a state-validated dangerousness track; to limit any extension of custody to fixed increments and renewed re-validation; to provide a hard age and medical-frailty bar subject to a narrow expedited judicial override; to require medical continuity planning before release or transition; to establish a verified capacity plan and crowding threshold; to create an alternative incapacitation remedy of court-ordered intensive supervision with no custody; to prohibit detention for technical violations absent a new violent act; to restrict consideration of injury severity and stale misconduct; to require race-blind validation, independent replication, plain-language decision rationales, and subgroup-specific reporting; to create oversight, audit, structural remediation, rollback, relation-to-existing-law, severability, appropriations, transition, and effective-date provisions; and for other purposes.

Be it enacted by the Legislature of the State of __________:

SECTION 1. SHORT TITLE, FINDINGS, AND PURPOSE.

(a) Short title.--This Act may be cited as the "Targeted Incapacitation with Mandatory Medical-Continuity Release (TIMCR-Plus) Act".

(b) Findings.--The Legislature finds and declares all of the following:

(1) Serious repeat violent crime committed by a narrow class of high-risk offenders presents a substantial threat to public safety.

(2) Extended incapacitative custody may be authorized only within narrow limits and only upon reliable, corroborated, and current evidence.

(3) Overcrowding, excessive incarceration of aging or medically frail persons, racial disparity, stale misconduct reliance, and open-ended detention based on generalized future-risk findings are significant failure modes that must be avoided.

(4) Evidence reliability, medical continuity, anti-overcrowding controls, anti-disparity safeguards, and recurring judicial re-validation are mandatory design constraints of this Act.

(5) No open-ended holding based on generalized risk shall be authorized under this Act.

(c) Purpose.--The purposes of this Act are to do all of the following:

(1) Limit extended incapacitative custody to a narrow repeat-violent-offender class defined by statute.

(2) Require corroborated, auditable evidence as a condition of placement on the state-validated dangerousness track and of any extension of custody.

(3) Ensure that failure to complete corroboration by the scheduled re-validation decision results in no extension and prompt release or transition to supervision.

(4) Prevent overcrowding by requiring a verified capacity plan and routing cases to an alternative incapacitation remedy when the crowding threshold is breached.

(5) Protect persons age 55 years or older and persons with documented major medical frailty from extended custody, subject only to a narrow expedited judicial override based on recent, corroborated evidence of imminent specific harm.

(6) Require medical continuity planning before release or transition.

(7) Prohibit detention or reincarceration for technical violations absent a new violent act.

(8) Prevent perverse incentives to rely on injury severity, stale misconduct, or proxy-based risk determinations.

(9) Require race-blind tool construction, independent replication, plain-language rationales, and subgroup-specific reporting.

(d) Construction.--This Act shall be construed to implement the findings and purposes set forth in this section. Nothing in this Act shall be construed to authorize preventive detention outside the express eligibility criteria or to diminish rights otherwise provided by the Constitution of this State, the Constitution of the United States, or other applicable law.

SEC. 2. DEFINITIONS AND CONSTRUCTION.

(a) Definitions.--As used in this Act, unless the context clearly requires otherwise:

(1) "Alternative incapacitation remedy" means court-ordered intensive supervision with no custody imposed under Section 10.

(2) "Auditable source" means a source of information that is capable of verification by a court, the State validation and audit unit, or the independent oversight panel through records, metadata, certification, or other objective indicia of provenance, and that is retained in a manner permitting later inspection.

(3) "Corroborated violence-history feature" means a discrete feature of a person's violence history that is supported by at least 2 independent, auditable sources, as required by Section 4.

(4) "Crowding threshold" means the maximum projected population level, expressed as a percentage of lawful custodial capacity or by such other measurable standard as the Legislature shall specify in rule or appropriation, above which the ordinary extension pathway under this Act shall not continue.

(5) "Court" means the sentencing court or designated post-conviction court having jurisdiction under this Act.

(6) "Court-ordered intensive supervision with no custody" means a noncustodial order imposing the conditions authorized by this Act, including monitoring, curfew, contact restrictions, and other conditions expressly permitted by statute, but not incarceration, jail custody, prison custody, or administrative detention.

(7) "Current threat" means a threat of violent reoffense shown by admissible evidence meeting the recency, corroboration, and burden-of-proof requirements of this Act.

(8) "Documented major medical frailty" means a medically verified condition, certified by the State medical review authority or a designated clinician reviewer, that materially increases the risk of serious adverse health outcomes from incarceration or substantially reduces the person's functional resilience, including but not limited to advanced frailty, severe functional impairment, end-stage organ disease, active metastatic disease, or other condition specified by the State medical review authority by rule.

(9) "Extended incapacitative custody" means continued custodial confinement beyond the otherwise applicable sentence termination date, parole eligibility date, release date, or comparable lawful release date, as authorized solely under this Act.

(10) "Fixed increment" means a single extension period not to exceed 18 months, or such shorter period as the Legislature may specify by statute.

(11) "Independent, auditable source" means a source that is independent of the other source relied upon for the same corroborated violence-history feature and that can be inspected and verified through objective records, testimony, data, certification, or documentation; one source may not be materially derivative of the other source for the same feature.

(12) "Independent oversight panel" means the body established under Section 17.

(13) "In-custody misconduct" means conduct occurring while a person is in a jail, prison, or other custodial setting.

(14) "Major medical frailty" means documented major medical frailty.

(15) "Medical continuity plan" means the plan required under Section 8.

(16) "New serious violent felony" means an offense defined by statute as a serious violent felony committed after the effective date of this Act or as otherwise designated by the Legislature for prospective application, and for which the person stands convicted.

(17) "New violent act" means a violent offense, violent assault, attempted violent assault, or other act involving the intentional use, attempted use, or threatened use of force against another person, as specifically defined by statute for the purposes of breach handling under this Act.

(18) "Plain-language rationale" means a written explanation, expressed in clear, nontechnical language, that identifies the corroborated violence-history features and other statutory criteria actually relied upon for the decision.

(19) "Qualifying violent conviction" means a prior conviction for an offense designated by statute as qualifying for purposes of this Act, provided that the conviction is final and not constitutionally invalid.

(20) "Race-blind" means that race, color, ethnicity, national origin, or a proxy variable used as a substitute for any of those characteristics shall not be used as a predictive input to the risk instrument or tool.

(21) "Re-validation hearing" means a hearing conducted under Section 5 before any existing extension expires to determine whether a subsequent fixed increment or alternative remedy is authorized.

(22) "State medical review authority" means the designated state entity, board, unit, or clinician reviewer authorized to certify medical frailty and to advise on medical continuity and health-risk determinations.

(23) "State-validated dangerousness track" means the legally authorized decision pathway by which the court may consider extended incapacitative custody under this Act upon satisfaction of the eligibility gate, corroboration standard, and validation requirements.

(24) "Technical violation" means a violation of a supervision condition that does not itself constitute a new violent act, including a missed appointment, curfew deviation, location-reporting failure, administrative paperwork failure, or other nonviolent compliance failure.

(25) "Violence-history evidence package" means the structured evidentiary record required under Section 4 to support placement on the state-validated dangerousness track and any subsequent extension.

(26) "Violence-linked misconduct" means in-custody misconduct that consists of a threat with target specificity, an attempt or act of violence, acquisition or use of a weapon, assaultive conduct, or another category expressly identified by statute as violence-linked.

(27) "Verified capacity plan" means the operational submission required under Section 9 that certifies projected population, lawful housing capacity, medical capacity, supervision bandwidth, and the data and methodology used to make the certification.

(28) "Violent breach" means a verified new violent act occurring during court-ordered intensive supervision with no custody.

(29) "Window" or "short statutory lookback window" means the period specified by this Act or by rule for the particular determination at issue.

(b) Construction; express limitations.--The following rules of construction apply to this Act:

(1) Each defined term used in this Act shall have the meaning assigned by statute.

(2) Undefined terms shall be construed narrowly to preserve the limiting function of this Act.

(3) This Act may not be applied by analogy to expand eligibility beyond the express definitions.

(4) The risk instrument or tool, if used, shall not be treated as corroboration and shall not substitute for the evidentiary requirements of this Act.

(5) No provision of this Act shall be construed to permit race as a predictive input or to authorize custody based on generalized future-risk determinations untethered to the express statutory criteria.

(c) Rule of specificity.--Where a provision of this Act permits or requires a determination to be made under specified standards, the more specific standard shall control over any more general standard otherwise applicable by law, except as otherwise expressly provided by this Act.

SEC. 3. ELIGIBILITY GATE FOR EXTENDED INCAPACITATIVE CUSTODY.

(a) Exclusive eligibility.--Extended incapacitative custody shall be available only if all of the following are established by the state by the applicable burden of proof:

(1) The person has been convicted of a new serious violent felony.

(2) The person has two prior qualifying violent convictions.

(3) The person is placed on the state-validated dangerousness track under this Act.

(b) Burden of proof.--The state shall bear the burden of proof on each element required by subsection (a) by clear and convincing evidence, unless a higher burden is required by the Constitution of this State or the Constitution of the United States.

(c) Separate findings.--The court shall make separate findings on each element of subsection (a) and shall state on the record and in writing the factual basis for each finding.

(d) Prohibited bases.--The court shall not order extended incapacitative custody based on any of the following alone:

(1) Generalized reputation.

(2) Uncharged conduct standing alone.

(3) A risk score standing alone.

(4) Offense severity standing alone.

(5) Criminal history standing alone.

(6) Race, color, ethnicity, national origin, or a proxy for any of those characteristics.

(e) No inference beyond the statute.--The court shall not infer eligibility from any factor not expressly identified in subsection (a), and no alternative equivalence standard shall be applied to expand eligibility.

(f) Release or alternative remedy if gate fails.--If any eligibility element in subsection (a) is not proven, the court shall deny extended incapacitative custody and shall proceed under the release, transition, or alternative-remedy provisions of this Act as applicable.

SEC. 4. VIOLENCE-HISTORY EVIDENCE PACKAGE AND CORROBORATION STANDARD.

(a) Required package.--Before a person may be placed on the state-validated dangerousness track, the state shall file a violence-history evidence package containing, at a minimum, all of the following:

(1) The convictions, records, certified dispositions, or other documents establishing the qualifying violent convictions relied upon.

(2) The corroborated violence-history features relied upon to support dangerousness track placement.

(3) The identity, provenance, and auditable basis of each source used to support each feature.

(4) A certification by the state that each feature satisfies the corroboration standard in subsection (b).

(5) Any risk instrument output or validation document used, subject to subsection (d).

(6) Any disclosure required by subsection (e) or by court rule.

(b) Corroboration standard.--Each violence-history feature shall be supported by at least 2 independent, auditable sources.

(c) Independence requirement.--For purposes of subsection (b), sources shall be independent only if each source is separately verifiable and is not materially derivative of the same underlying account, summary, or unverified assertion.

(d) Tool not proxy for corroboration.--The state shall not use the risk tool as a proxy for corroboration, and the court shall not deem the existence of a risk score, validation metric, or model output to satisfy subsection (b).

(e) Disclosure.--Subject to protective-order limits authorized by law, the state shall disclose the sources relied upon, the features supported, and the basis for source independence and auditability in sufficient detail to permit adversarial testing.

(f) Validation track placement.--The court shall not place a person on the validated track unless the violence-history evidence package satisfies the corroboration standard and all other applicable statutory requirements.

(g) Incomplete corroboration.--If corroboration is incomplete, inconsistent, or not timely filed at the point of decision, the court shall deny placement on the state-validated dangerousness track and shall not authorize extended incapacitative custody on the basis of an incomplete package.

(h) Record of feature-level findings.--The court shall identify, feature by feature, which corroborated violence-history features were accepted and which were rejected, and shall state the reason for each determination.

(i) Additional rules.--The State validation and audit unit may adopt forms and checklists to implement this section, provided that the forms and checklists do not relax the corroboration standard or the independence requirement.

SEC. 5. RE-VALIDATION HEARING AND DEFAULT NO-EXTENSION RULE.

(a) Mandatory hearing.--The court shall conduct a re-validation hearing before any extension expires.

(b) State burden.--At each re-validation hearing, the state shall bear the burden of proving, by clear and convincing evidence, that the person remains eligible for extended incapacitative custody under Sections 3 and 4 and that any additional extension satisfies Sections 6 and 7.

(c) Default no-extension rule.--If corroboration is incomplete at the scheduled re-validation decision, the default outcome shall be no extension.

(d) Release or transition deadline.--When no extension is ordered, the person shall be released or transitioned to supervision within 7 days after the decision, or within such shorter period as the court orders for administrative implementation, but in no event later than the statutory time frame established by this Act.

(e) No tentative holding.--The court shall not issue a tentative risk label, temporary continuation, or holdover order that functions as continued custody without a valid extension order entered under this Act.

(f) Hearing timing.--The court shall set the re-validation hearing sufficiently in advance to permit disclosure, consultation, and objection by the person and counsel.

(g) Failure to timely hear.--If the court does not conduct the re-validation hearing on time due to state delay, court delay, agency delay, or unavailable records, the default outcome shall be no extension unless the delay is attributable to a continuance requested by the person and approved by the court for good cause shown.

(h) Written decision.--The court shall issue a written decision stating whether the default no-extension rule was triggered and identifying the evidentiary basis for the decision.

SEC. 6. FIXED INCREMENT LIMIT AND RENEWAL STANDARD.

(a) Fixed increment.--Any extension of custody under this Act shall be for a fixed increment not to exceed 18 months.

(b) Renewal required.--A subsequent extension shall require renewed re-validation using the same corroboration standard required by Section 4.

(c) No open-ended custody.--The court shall not authorize open-ended, indeterminate, or "remaining high-risk" continued custody.

(d) New decision each increment.--Each fixed increment shall be treated as a new judicial decision based on current evidence, and a prior extension shall not be carried forward as a substitute for present proof.

(e) No extension by delay.--The court shall not lengthen any increment because of calendar congestion, backlog, administrative delay, or delayed filing.

(f) Void excess.--Any extension exceeding the fixed increment authorized by this section shall be void to the extent of the excess.

(g) Maximum cumulative duration.--The Legislature may, by statute, establish a maximum cumulative duration for all extensions under this Act, and no court or agency shall exceed that maximum.

SEC. 7. AGE AND MEDICAL-FRAILTY BAR WITH EXPEDITED OVERRIDE.

(a) General bar.--A person age 55 years or older shall not be eligible for extension under this Act unless the expedited override is granted under this section.

(b) Medical-frailty bar.--A person with documented major medical frailty shall not be eligible for extension under this Act unless the expedited override is granted under this section.

(c) Override availability.--The expedited override may be granted only if the court makes all of the following findings within the short statutory time window:

(1) The evidence is within the short statutory lookback window specified by this Act.

(2) The evidence satisfies the pre-registered evidentiary checklist adopted under subsection (h).

(3) The evidence includes contemporaneous corroboration from at least 2 independent sources.

(4) The evidence demonstrates a recent, specific, and imminent threat of violent harm.

(d) Time limit.--The court shall complete the expedited override determination within 7 days after the motion or request is filed, or within such shorter period as the Legislature shall specify by statute.

(e) Automatic application of the bar.--If the override finding is not completed within the statutory time window, the bar in subsection (a) or (b), as applicable, shall automatically apply, and the person shall be released or transitioned as otherwise provided by this Act.

(f) Prohibited bases for override.--The court shall not grant the override on stale evidence, generalized fear, unsupported predictions, or evidence that fails to satisfy the dual-source corroboration requirement.

(g) Written findings.--The court shall issue a written decision identifying the age or medical-frailty basis, the statutory checklist, the contemporaneous corroboration relied upon, and the reason for granting or denying the override.

(h) Pre-registered checklist.--The State validation and audit unit, in consultation with the State medical review authority and the independent oversight panel, shall adopt a pre-registered evidentiary checklist for the expedited override, which shall include, at a minimum, the categories of evidence required by subsection (c) and the form of contemporaneous corroboration required.

(i) Medical certification.--The State medical review authority shall establish the standards and procedures for certifying documented major medical frailty, including documentation requirements, clinician review, and recertification intervals.

SEC. 8. MEDICAL CONTINUITY, DISCHARGE PLANNING, AND TREATMENT HANDOFF.

(a) Mandatory plan.--The administering authority shall prepare a medical continuity plan before any release or transition ordered under this Act.

(b) Required contents.--The medical continuity plan shall address all of the following:

(1) Active prescriptions.

(2) Pending and scheduled appointments.

(3) Transfer of medical records and other essential health information.

(4) Follow-up care arrangements.

(5) Transportation or other logistical arrangements necessary to access care.

(6) Special needs arising from age, frailty, disability, or chronic illness.

(c) Documented handoff.--The administering authority shall not release a person with documented major medical frailty without a documented handoff plan unless the person refuses the handoff in writing or on the record.

(d) Coordination.--The State medical review authority shall coordinate, to the extent lawful and practicable, with receiving providers, pharmacies, case managers, and supervising authorities to implement the medical continuity plan.

(e) Confidentiality.--Medical confidentiality shall be preserved except to the extent disclosure is necessary for continuity of care, lawful supervision, or court-ordered conditions.

(f) No delay for nonessential tasks.--Release or transition shall not be delayed solely to complete nonessential administrative tasks.

(g) Audit trail.--The medical continuity plan and proof of handoff completion shall be retained in the record for audit under Section 17.

(h) Refusal.--If a person refuses medical handoff, the refusal shall be documented and witnessed, if practicable, and shall not relieve the administering authority of the duty to offer the plan.

SEC. 9. VERIFIED CAPACITY PLAN AND CROWDING THRESHOLD.

(a) Capacity plan prerequisite.--Extensions under this Act shall be sought only if the jurisdiction has submitted a verified capacity plan.

(b) Plan contents.--The verified capacity plan shall specify all of the following:

(1) Projected population under this Act.

(2) Lawful housing capacity.

(3) Medical capacity.

(4) Supervision bandwidth.

(5) The data sources and methodology used to make each certification.

(6) Any contingency plan for staffing or facility strain.

(c) Certification.--The correctional authority shall certify the verified capacity plan before each extension docket cycle and shall update the certification when material changes occur.

(d) Review.--The State validation and audit unit shall review the certification for completeness, internal consistency, and auditable support.

(e) Crowding threshold.--If projected population would breach the crowding threshold, the court shall not continue the ordinary extension pathway.

(f) No delay or suspension.--A crowding threshold breach shall not suspend review; it shall immediately route the next extension decision to the alternative incapacitation remedy under Section 10.

(g) Conservative assumptions.--Population, capacity, and supervision projections shall be made using conservative and auditable assumptions.

(h) Record retention.--The verified capacity plan, supporting data, and certification shall be retained for audit.

SEC. 10. ALTERNATIVE INCAPACITATION REMEDY: COURT-ORDERED INTENSIVE SUPERVISION WITH NO CUSTODY.

(a) Availability.--When the crowding threshold is breached, or when any other statutory bar prevents extended incapacitative custody, the next extension decision shall be routed to court-ordered intensive supervision with no custody if the court finds that the statutory criteria for supervision are otherwise satisfied.

(b) Noncustodial nature.--Court-ordered intensive supervision with no custody shall not include incarceration, jail custody, prison custody, or administrative detention.

(c) Permissible conditions.--The court may impose only those conditions expressly authorized by this Act, including:

(1) Monitoring conditions.

(2) Curfew conditions.

(3) Contact and location restrictions.

(4) Reporting requirements.

(5) Treatment participation requirements consistent with law.

(6) Other conditions expressly identified by statute.

(d) Restrictiveness caps.--The Legislature shall set maximum monitoring hours, maximum curfew scope, and maximum mandatory in-person contact requirements by statute. The supervising authority shall not exceed those caps absent a new statute.

(e) Reduced supervision for older or frail persons.--Persons age 55 years or older and persons with major medical frailty shall receive reduced supervision intensity and access-to-care priority.

(f) Written order.--The court shall issue a written order specifying each condition, its duration, and the statutory basis for each condition.

(g) Compliance plan.--The supervising authority shall provide a compliance plan and contact schedule within the time set by the court, which shall not exceed 7 days after entry of the order unless the person requests a longer period.

(h) No administrative conversion to custody.--The supervising authority shall not convert the alternative remedy into custody by administrative action alone.

(i) Least restrictive authorized option.--The alternative remedy shall be the least restrictive incapacitation option authorized by statute that the court determines is adequate to protect public safety and the person harmed by the offense, if any, within the bounds of this Act.

SEC. 11. TECHNICAL VIOLATION RULE AND BREACH HANDLING.

(a) Prohibition on custody for technical violations.--Detention or reincarceration for a technical violation shall be prohibited absent a new violent act.

(b) Violent breach only.--Only a verified violent breach may trigger a custodial response under this Act.

(c) Verification steps.--The statute shall be applied as follows:

(1) The supervising authority shall promptly document the alleged conduct and classify it as a technical violation, suspected violent breach, or verified violent breach.

(2) The state shall file any request for a custodial response within 48 hours after classification as a suspected violent breach, excluding weekends and legal holidays if the court so provides by rule.

(3) The court shall hold a breach hearing on an expedited basis, not to exceed 5 days after filing, unless the person requests a continuance or the court finds a specific, documented need for additional time to obtain material evidence.

(4) A custodial response may be imposed only after the court finds, by the applicable burden of proof, that a new violent act occurred.

(d) Nonviolent noncompliance.--Missed meetings, curfew deviations, paperwork failures, location-reporting failures, or similar nonviolent noncompliance shall not by themselves justify custody.

(e) Proportionate noncustodial sanctions.--Sanctions for nonviolent noncompliance shall remain noncustodial, proportionate, and expressly authorized by statute.

(f) Record of classification.--The supervising authority shall retain the classification, evidence, and disposition of each alleged violation for audit under Section 17.

(g) Illegal custodial response.--A custodial response based on a prohibited technical violation shall be unlawful and subject to immediate judicial correction.

SEC. 12. RESTRICTIVENESS CAPS AND SPECIAL SUPERVISION LIMITS.

(a) Statutory caps required.--The Legislature shall set by statute maximum monitoring hours, maximum curfew scope, and limits on mandatory in-person contacts for court-ordered intensive supervision with no custody.

(b) No exceedance absent new statute.--The supervising authority shall not exceed the caps established under subsection (a) absent a new statute.

(c) Plain-language notice.--The supervision order shall specify the capped conditions in plain language and shall identify the conduct required, prohibited, or restricted.

(d) Special limits for older or frail persons.--Persons age 55 years or older and persons with major medical frailty shall receive reduced supervision intensity and access-to-care priority.

(e) Medical access.--Supervision conditions shall not impede access to necessary medical appointments, prescriptions, emergency care, or continuing treatment, except to the minimum extent required by a specific and lawful court order.

(f) Emergency deviation.--A deviation from statutory caps may be authorized only by emergency law or a specific court order based on a documented exigency, and any such deviation shall be reported to the oversight panel within 3 business days.

(g) No de facto custody.--Supervision conditions shall not be imposed in a manner that, in the aggregate, function as custody by another name.

(h) Records.--The supervising authority shall retain monitoring logs, contact logs, curfew enforcement records, and any deviation authorizations for audit.

SEC. 13. ANTI-PERVERSE-INCENTIVE LIMITATIONS ON INJURY SEVERITY AND MISCONDUCT.

(a) Injury severity limitation.--The court shall not increase sentence length or extension length based on injury severity beyond the statutory elements of the offense.

(b) Violence-linked taxonomy.--In-custody misconduct may be considered for dangerousness re-validation only if it matches the narrow violence-linked taxonomy established by statute.

(c) Independent review.--Each misconduct item considered under subsection (b) shall be independently reviewed.

(d) Cognitive and medical impairment.--The reviewing authority shall consider cognitive impairment, medical impairment, medication effects, and other documented health conditions that may affect the meaning or reliability of the conduct.

(e) No proxy use.--Nonviolent rule violations, minor institutional infractions, medical-incapacity-related refusal, protest against conditions, and injury-prevention behavior shall not be treated as violence-linked misconduct unless the conduct itself includes an objective independent violence act meeting the statutory incident code requirements.

(f) Written exclusion.--The court shall state in writing any misconduct item excluded from consideration and the reason for exclusion.

(g) Reversible error.--Improper use of injury severity or stale or nonqualifying misconduct shall constitute reversible error.

SEC. 14. LOOKBACK EXPIRATION FOR MISCONDUCT AND DISCIPLINARY RECORDS.

(a) Expiration.--Disciplinary incidents shall expire for re-validation after the statutory number of months established by the Legislature, which shall not exceed 24 months unless the Legislature expressly provides otherwise by statute.

(b) Active lookback period only.--The court shall rely only on misconduct within the active statutory lookback period.

(c) No use of expired incidents.--Expired incidents shall not be used to justify a new extension, to increase a supervision term, or to support an expedited override under Section 7.

(d) No tolling.--The lookback period shall not be tolled by agency delay, hearing postponement, record retrieval delay, or other administrative cause.

(e) No relabeling.--Expired items shall not be revived by relabeling, aggregation, or recharacterization.

(f) Recordkeeping.--The agency shall maintain an expiration date for each disciplinary item and shall identify, in each re-validation file, which items remain active.

SEC. 15. RACE-BLIND TOOL CONSTRUCTION AND VALIDATION.

(a) Race-blind construction.--The risk instrument or tool, if used, shall be constructed without race as a predictive input and without proxy variables used as substitutes for race, color, ethnicity, or national origin.

(b) Independent replication.--Validation shall require independent replication.

(c) Authorized feature set.--Validation and replication shall use only the authorized feature set approved under the audit protocol.

(d) Plain-language rationale.--Each placement decision shall include a plain-language rationale identifying the corroborated features that drove placement.

(e) Model file and protocol.--The State shall maintain the tool specification, validation protocol, calibration documentation, and replication results in an auditable file.

(f) Ineligibility on failure.--A tool that fails replication, audit, or race-blindness requirements shall not be used for extension decisions under this Act.

(g) No corroboration by tool.--The tool shall not be used to supply corroboration or to replace the evidence package required by Section 4.

(h) Disclosure to person.--The plain-language rationale and any tool output relied upon shall be disclosed to the person and counsel, subject to lawful protective-order limits.

SEC. 16. SUBGROUP-SPECIFIC REPORTING AND RELIABILITY METRICS.

(a) Annual report required.--The independent oversight panel shall publish an annual report on the administration of this Act.

(b) Required metrics.--The report shall include all of the following:

(1) Subgroup-specific corroboration-availability metrics by age and medical-frailty status.

(2) Subgroup-specific decision-quality metrics by age and medical-frailty status.

(3) Race-stratified reliability metrics where lawful and feasible.

(4) Rates of extension, denial, default no-extension, and transition to supervision.

(5) Rates of expedited overrides sought, granted, denied, and untimely.

(6) Rates of technical violations, violent breaches, and custodial responses.

(7) Crowding threshold projections and actual operational impacts.

(8) Medical continuity plan completion rates and handoff completion rates.

(9) Any other metric the oversight panel determines necessary to evaluate implementation fidelity.

(c) Reporting schedule.--The report shall be published on a fixed annual schedule established by the oversight panel, and interim reports shall be published upon a material implementation failure, if required by law or by the panel.

(d) Data quality.--Metrics shall identify denominator size, missing data rates, and any limitations on comparability.

(e) Privacy.--Reports shall not disclose protected personal information beyond what is lawful and necessary.

(f) Legislative transmission.--The report shall be transmitted to the Legislature, the Governor, the Attorney General, the Chief Justice, and the heads of the administering authorities.

SEC. 17. OVERSIGHT PANEL, AUDITS, AND RECORDS RETENTION.

(a) Establishment.--There is established an independent oversight panel to monitor implementation, audits, and remedial actions under this Act.

(b) Composition.--The panel shall include members with expertise in criminal law, corrections administration, community supervision, medical review, audit, data validation, and civil rights, appointed as provided by law.

(c) Powers and duties.--The oversight panel shall have authority to do all of the following:

(1) Review samples, complaints, and implementation failures.

(2) Audit extension, corroboration, capacity, supervision, and medical continuity records.

(3) Require corrective submissions from administering authorities.

(4) Issue findings and corrective recommendations.

(5) Refer suspected noncompliance to the Attorney General or other appropriate enforcement authority.

(6) Publish reports required by this Act.

(d) Records retention.--The administering authorities shall retain all extension, corroboration, capacity, supervision, medical continuity, and breach records for audit for the period prescribed by law, which shall not be less than 7 years after final disposition unless a longer period is required by law.

(e) Access.--The oversight panel shall have access to records necessary to perform its duties, subject to privilege, confidentiality, protective-order limits, and other applicable law.

(f) Complaint process.--The oversight panel shall establish a process for receiving and reviewing complaints from persons subject to this Act, counsel, victims, families, staff, and the public.

(g) Noncompliance reporting.--Noncompliance with this Act shall be reported to the Legislature and the relevant executive officer.

SEC. 18. STRUCTURAL REMEDIATION AND CORRECTIVE TIGHTENING.

(a) Structural adjustment only.--If systematic failure is found, the remedy shall be structural adjustment rather than longer custody.

(b) Permissible corrective measures.--Corrective measures may include one or more of the following:

(1) A tighter evidentiary checklist.

(2) A corroboration default-outcome rule.

(3) A prohibition on detention for technical violations absent a new violent act.

(4) Stricter restrictiveness caps.

(5) Narrower validation requirements.

(6) Tool ineligibility until re-authorization.

(7) Additional training, auditing, or certification requirements.

(c) No custody expansion.--A corrective response under this section shall not expand custody time limits for any person or subgroup.

(d) Legislative implementation.--The Legislature may require immediate administrative implementation of corrective measures within the bounds of this Act.

(e) Updating forms and training.--The administering authorities shall update forms, checklists, manuals, and training materials to reflect any corrective measure adopted under this section.

(f) Follow-up audit.--The oversight panel shall conduct a follow-up audit after any corrective action required under this section.

SEC. 19. ROLLBACK TRIGGERS AND TRANSITION PROTECTIONS.

(a) General rollback standard.--Rollback shall occur if independent cross-source indicators show both of the following:

(1) No net reduction in serious violent reoffense.

(2) Crowding-driven harms.

(b) Additional health-based rollback trigger.--Rollback shall also occur if there is a statistically significant increase in confinement-associated serious medical deterioration or mortality for the 55-plus or medically frail subgroup compared to baseline, applying the statutory timing and attribution rules.

(c) Remedy upon rollback.--When rollback is triggered, the corrective response shall be to tighten eligibility proof requirements, corroboration standards, supervision restrictiveness caps, or other structural safeguards, as applicable, and not to expand custody time limits.

(d) Statistical standard.--The Legislature may require minimum sample sizes, confidence-interval thresholds, or other reliability thresholds for the findings required by this section.

(e) Transition period.--If rollback is ordered or required, the Legislature or the designated authority shall provide a transition period sufficient to implement the rollback safely, protect medical continuity, and avoid abrupt unsafe releases, but not to prolong custody beyond lawful authority.

(f) Published basis.--Trigger findings shall be published with the data basis and methodology used to reach the findings.

(g) Unlawful continued use.--Any continued use of a rolled-back mechanism after the effective rollback date shall be unlawful.

SEC. 20. IMPLEMENTATION TIMELINE, TRAINING, AND EFFECTIVE DATES.

(a) Effective date.--This Act shall take effect on __________, except as otherwise provided in this section.

(b) Delayed operative date.--Sections 3 through 19 shall become operative on __________, which shall be not less than 180 days after the effective date, or such longer period as the Legislature determines is necessary for training, capacity certification, and system setup.

(c) Training.--Before the operative date, the administering authorities shall train judges, prosecutors, defense counsel, correctional staff, supervision staff, and medical staff on the requirements of this Act.

(d) Materials.--Before the first extension docket under this Act, the State shall prepare and distribute forms, checklists, notices, validation protocols, reporting templates, and medical continuity templates necessary for implementation.

(e) Readiness certification.--The administering authorities shall certify readiness before full operation begins, including readiness of the verified capacity plan, reporting systems, and record-retention systems.

(f) No premature application.--No person shall be subjected to the new extension mechanism before the operative date.

(g) Existing authority preserved during transition.--During the period before the operative date, existing lawful authority shall remain in effect, but no delay in implementation shall be used to extend custody beyond otherwise lawful limits.

SEC. 21. RELATION TO EXISTING LAW, SUPERSESSION, AND SEVERABILITY.

(a) Relation to existing law.--This Act shall operate in addition to existing sentencing, corrections, supervision, and post-conviction procedures, except to the extent inconsistent with this Act.

(b) Supersession of conflicting law.--To the extent any provision of this Act conflicts with another law, rule, regulation, policy, or practice, this Act shall supersede the conflicting provision to the extent of the conflict, unless a constitutional provision requires otherwise.

(c) Preservation of rights.--Except where expressly modified by this Act, existing procedures and rights, including rights to counsel, notice, hearing, discovery, confrontation to the extent constitutionally required, and judicial review, shall remain in effect.

(d) Harmonization.--Courts shall construe this Act, to the extent possible, in harmony with existing law governing sentencing, correctional administration, public records, medical privacy, and supervision.

(e) Severability.--If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SEC. 22. APPROPRIATIONS, FUNDING, AND IMPLEMENTATION RESOURCES.

(a) Appropriation authorized.--The Legislature authorizes and, to the extent necessary, appropriates such sums as may be necessary to implement this Act, including funds for:

(1) The State validation and audit unit.

(2) The independent oversight panel.

(3) Training and certification.

(4) Recordkeeping and reporting systems.

(5) Medical continuity planning and handoff coordination.

(6) Supervision capacity, monitoring equipment, and compliance infrastructure.

(7) Independent replication and audit of risk instruments.

(b) Use of funds.--Funds appropriated under this section shall be used only for implementation, auditing, training, reporting, supervision capacity, medical continuity, and other purposes expressly authorized by this Act.

(c) Budget certification.--The executive officer responsible for budget administration shall submit, with the annual budget request, a certification describing the amount necessary to administer this Act and the expenditure plan for the preceding fiscal year.

(d) No unfunded expansion.--No agency shall expand the use of extended incapacitative custody or the alternative incapacitation remedy under this Act without a lawful appropriation or other available funding sufficient to implement the statutory requirements.

SEC. 23. ADMINISTRATIVE RULEMAKING.

(a) Rulemaking authority.--Each administering authority may adopt rules, forms, checklists, and procedures necessary to implement this Act.

(b) Limits on rulemaking.--No rule, form, checklist, procedure, or manual may alter the eligibility gate, corroboration standard, age or medical-frailty bar, default no-extension rule, technical violation prohibition, fixed increment limit, race-blind requirement, or any other substantive limitation established by this Act.

(c) Public process.--Rules adopted under this section shall be adopted in compliance with applicable notice-and-comment requirements.

(d) Conforming updates.--The administering authorities shall adopt conforming updates to forms, notices, and procedures no later than the operative date established in Section 20.

SEC. 24. NOTICE, COUNSEL, AND PARTICIPATION.

(a) Notice.--The person subject to a proceeding under this Act shall receive written notice of the state's intended action, the evidence package, the hearing date, and the right to contest the evidence.

(b) Counsel.--The person shall have the right to counsel in any proceeding under this Act to the fullest extent required by law.

(c) Access to evidence.--The person and counsel shall receive access to the nonprivileged evidence and summaries required to contest the action.

(d) Participation.--The person shall have a meaningful opportunity to be heard, to present evidence, to call witnesses where lawful, and to challenge source independence, auditability, recency, and corroboration.

(e) Interpreter and accommodation.--If needed, the court and administering authorities shall provide interpretation and reasonable accommodations consistent with law.

SEC. 25. EMERGENCY HOLD REQUESTS.

(a) Separate procedure.--The state may seek a separate, court-supervised emergency hold only upon a showing based on new objective recent conduct meeting a higher evidentiary burden established by law.

(b) Narrow scope.--An emergency hold authorized under this section shall be brief, shall be limited to the minimum time necessary for adjudication, and shall not be used to circumvent the age or medical-frailty bar, the fixed increment limit, or the default no-extension rule.

(c) Written findings.--Any emergency hold order shall state the specific objective recent conduct relied upon and the reason the hold is necessary.

(d) No administrative hold.--No administrative hold may be imposed under this section absent a court order.

SEC. 26. CONFORMING AMENDMENTS AND TRANSITION OF EXISTING CASES.

(a) Conforming amendments.--The Legislature shall enact conforming amendments to any affected sentencing, corrections, parole, probation, community supervision, records, medical confidentiality, and court-administration provisions as necessary to carry out this Act.

(b) Pending cases.--This Act shall apply prospectively and, to the extent expressly stated by the Legislature, to pending matters that have not reached final judgment or final release determination as of the operative date.

(c) Transition cases.--For persons already subject to custody, supervision, or review processes that would be affected by this Act, the administering authority shall conduct a transition assessment within the time specified by the Legislature to determine whether the person falls within the eligibility gate, the age or medical-frailty bar, the capacity brake, or the alternative remedy provisions.

(d) No interruption of lawful care.--Any transition shall preserve access to medical care, medication, records, and necessary follow-up services.

SEC. 27. ENFORCEMENT, REMEDIES, AND JUDICIAL REVIEW.

(a) Enforcement.--A person subject to this Act, the state, a victim, the supervising authority, or the oversight panel may seek judicial enforcement of the provisions of this Act as authorized by law.

(b) Judicial review.--Any final order under this Act shall be subject to appellate review under applicable law.

(c) Void orders.--An order entered in violation of the express limits of this Act shall be void or voidable to the extent provided by law.

(d) Injunctive and declaratory relief.--A court may grant injunctive or declaratory relief necessary to enforce this Act, consistent with constitutional and statutory limits.

(e) No private damages enlargement.--Nothing in this Act shall be construed to create or enlarge a private damages remedy unless expressly provided by other law.

SEC. 28. MISCELLANEOUS PROVISIONS.

(a) No waiver of immunity.--Nothing in this Act shall be construed as a waiver of sovereign immunity except to the extent expressly waived by other law.

(b) Public records.--Records created under this Act shall be treated in accordance with applicable public records law, medical privacy law, victim-notification law, and protective-order law.

(c) Headings.--Section headings are for convenience only and shall not affect interpretation.

(d) Singular and plural.--Words in the singular include the plural and words in the plural include the singular as the context requires.

(e) Gender.--Words of one gender include the other genders as the context requires.

(f) Time computation.--Time computation under this Act shall follow applicable court and administrative rules unless this Act provides otherwise.

(g) References.--Any reference to a statute, rule, or agency in this Act shall include any successor provision or successor agency with substantially similar functions.

SECTION 29. EFFECTIVE DATE AND SUNSET REVIEW.

(a) Effective date.--Except as otherwise provided in Section 20, this Act shall take effect upon enactment.

(b) Sunset review.--Not later than 5 years after the operative date, the Legislature shall conduct a sunset review of this Act based on the reports, audits, and rollback criteria established herein.

(c) Continuation.--If the Legislature does not enact a renewal, extension, or replacement by the applicable sunset date, the provisions of this Act shall terminate as of that date, except as necessary to conclude pending judicial proceedings and preserve medical continuity and public safety conditions lawfully imposed before termination.

(d) No implication of renewal.--Failure to renew this Act shall not imply approval of any prior implementation practice or interpretation.

SECTION 30. CLARIFICATION OF CONSTRUCTION AGAINST EXPANSION.

(a) Narrow construction.--Because this Act imposes exceptional post-conviction restrictions, it shall be construed narrowly in favor of the limitations expressly stated herein.

(b) No implied authority.--No administrative or judicial authority shall be implied from this Act to expand eligibility, extend custody, add categories of misconduct, relax corroboration, permit detention for technical violations, or authorize any custody not expressly stated.

(c) Supremacy of express provisions.--Where this Act specifies a procedure, standard, timing rule, burden, cap, or prohibition, that express provision shall control over any inconsistent general authority.

(d) Preservation of maximum protection.--If a provision of this Act is susceptible to more than one reasonable interpretation, the interpretation that most fully preserves the statutory limits on custody, the medical-frailty bar, the default no-extension rule, and the technical-violation prohibition shall prevail.

SECTION 31. CONTROLLING APPLICATION TO AGENCY POLICIES.

(a) Supersession of policies.--Any policy, directive, manual, or operational practice inconsistent with this Act shall have no force or effect to the extent of the inconsistency.

(b) Revision duty.--Each administering authority shall review and revise its policies, forms, and procedures to conform to this Act before the operative date.

(c) Certification of conformity.--Each administering authority shall certify to the oversight panel that its policies, forms, and procedures conform to this Act.

SECTION 32. SEPARATE ACCOUNTABILITY FOR DELAYS.

(a) Delay log.--The court, correctional authority, supervision agency, and State medical review authority shall maintain a delay log for any missed deadline or late filing under this Act.

(b) Attribution.--Each delay log entry shall identify the responsible entity, the reason for delay, and the consequence under this Act.

(c) Corrective action.--Repeated or systemic delays shall be referred to the oversight panel for corrective action and potential structural remediation under Section 18.

SECTION 33. VICTIM AND COMMUNITY SAFETY PLANNING.

(a) Safety plan.--The court shall incorporate an individualized victim and community safety plan in any order entered under this Act, including enforceable no-contact and no-location constraints when authorized by law.

(b) Consistency with relief.--The safety plan shall be consistent with the custody, supervision, release, and medical-continuity provisions of this Act.

(c) Notice to protected persons.--Notice to victims and other protected persons shall be provided as required by applicable law.

SECTION 34. NO IMPLIED VALIDITY OF INVALID TOOL OUTPUTS.

(a) Invalid outputs excluded.--If a risk instrument or tool is not in compliance with Section 15, no output from that tool may be relied upon for extension, override, or placement decisions under this Act.

(b) Reauthorization required.--A tool made ineligible under this Act may be restored to use only after meeting all validation, replication, and audit requirements and after written reauthorization by the appropriate authority consistent with this Act.

SECTION 35. CONFORMING BUDGET AND STAFFING OBLIGATIONS.

(a) Staffing plan.--The executive branch shall develop a staffing plan sufficient to administer the hearing, supervision, audit, medical continuity, and reporting duties imposed by this Act.

(b) Budget submission.--The budget submission for each fiscal year during the first 5 years after the operative date shall identify the funds and full-time equivalent positions required to administer this Act.

(c) No silent underfunding.--No administering authority shall rely on underfunding to justify delayed hearings, missed reporting, or noncompliance with statutory deadlines.

SECTION 36. FINAL CLARIFICATION.

(a) No open-ended detention.--This Act shall not be construed to authorize open-ended detention, indeterminate confinement, or continued custody based solely on generalized risk.

(b) No proxy decisions.--This Act shall not be construed to authorize decisions based on proxies for race, age, frailty, or violence history in lieu of the specific findings required by statute.

(c) No replacement of proof with discretion.--This Act shall not be construed to replace the statutory proof requirements with unguided discretion.

(d) Operative authority only.--The only authority conferred by this Act is the authority expressly stated in its provisions, subject to all stated limits, deadlines, burdens, and safeguards.

SECTION 37. REPEALER OF INCONSISTENT PROVISIONS.

(a) Repeal.--All provisions of prior law inconsistent with this Act are hereby repealed to the extent of the inconsistency, except to the extent a constitutionally required or expressly preserved provision remains in effect.

(b) Pending harmony.--Any pending proceeding shall proceed in a manner consistent with the provisions of this Act and any applicable transition rule.

SECTION 38. SAVINGS CLAUSE.

(a) Unaffected matters.--Except as expressly provided in this Act, nothing in this Act shall be construed to affect the validity of a conviction, the finality of a judgment, or any lawful sentence imposed under other law.

(b) Medical and constitutional protections.--Nothing in this Act shall be construed to diminish any applicable medical, disability, due process, equal protection, or cruel-and-unusual-punishment protection.

SECTION 39. AUTHORIZATION OF CONFORMING IMPLEMENTATION ORDERS.

(a) Implementation orders.--The chief justice, the attorney general, the corrections director, the chief probation or supervision officer, and the State medical review authority may issue conforming implementation orders within the scope of their lawful authority to carry out this Act.

(b) Limit.--No implementation order may alter the substantive limits of this Act.

SECTION 40. DECLARATION OF SEVERABILITY APPLICABILITY.

(a) General applicability.--The severability clause in Section 21 shall apply to each section, subsection, paragraph, subparagraph, clause, and phrase of this Act.

(b) Partial invalidity.--If a provision governing one remedy is invalidated, the remainder of the Act and any separate remedy not dependent on the invalid provision shall remain effective to the fullest extent permitted by law.

SECTION 41. STATUTORY DIRECTIVE FOR INTERPRETIVE PRIORITY.

(a) Priority order.--In interpreting this Act, the court shall prioritize, in the following order:

(1) The express text of the relevant provision.

(2) The limiting provisions of Sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, and 15.

(3) The reporting and oversight provisions.

(4) The relation-to-existing-law provisions.

(5) Any general construction rule not inconsistent with the foregoing.

(b) Limitation.--No interpretation may displace a clear statutory bar or deadline.

SECTION 42. TRANSITION TEAM AND IMPLEMENTATION CHECKLIST.

(a) Transition team.--The executive officer responsible for corrections administration shall convene a transition team consisting of representatives of the court system, corrections, supervision, medical review, public defense, prosecution, and oversight.

(b) Checklist.--The transition team shall prepare an implementation checklist covering all of the following:

(1) Eligibility gate procedures.

(2) Corroboration review procedures.

(3) Re-validation scheduling.

(4) Medical-frailty certification.

(5) Capacity certification.

(6) Alternative remedy routing.

(7) Monitoring caps.

(8) Technical-violation handling.

(9) Record retention.

(10) Reporting and audit readiness.

(c) Deadline.--The checklist shall be completed before the operative date.

SECTION 43. NO INCREASE IN CUSTODY THROUGH IMPLEMENTATION.

(a) Prohibition.--Implementation of this Act shall not be used to increase custody for any person beyond the custody otherwise lawfully authorized on the date of the underlying conviction or under existing law.

(b) Transition protection.--If there is any uncertainty during transition, the person shall receive the benefit of the more restrictive custody authority and the more protective release or supervision rule, except where a constitutional or statutory requirement provides otherwise.

SECTION 44. JURISDICTIONAL APPLICATION.

(a) Applicability.--This Act applies to all courts, agencies, officers, employees, contractors, and entities acting on behalf of the State in the administration of sentences, custody, supervision, medical review, and related proceedings covered by this Act.

(b) Delegation.--Any delegation of duties under this Act shall be in writing and shall not relieve the delegating authority of ultimate accountability for compliance.

SECTION 45. AUTHORIZATION OF FORMS OF RELIEF.

(a) Relief types.--The court may grant only the forms of relief expressly authorized by this Act, including extension, denial, release, transition to supervision, expedited override, emergency hold under Section 25, and enforcement or correction of unlawful orders.

(b) No equitable enlargement.--Equitable authority shall not be exercised to enlarge custody beyond the express terms of this Act.

SECTION 46. FINAL IMPLEMENTATION DIRECTIVE.

(a) Compliance duty.--Each administering authority shall comply with this Act fully and promptly.

(b) Construction of omissions.--The omission of a nonessential administrative detail from this Act shall not be construed to relax any substantive requirement.

(c) Control of process.--If a process issue and a substantive protection conflict, the substantive protection shall control.

SEC. 47. EFFECT OF FUTURE AMENDMENTS.

(a) Future amendment only by express act.--This Act may be amended, superseded, or repealed only by express legislative act.

(b) No implied amendment.--A future general statute shall not amend this Act by implication unless the later statute expressly states its intent to do so.

(c) Nonwaiver.--No agency practice or court order shall waive any express protection or limitation of this Act.

SECTION 48. ACKNOWLEDGMENT OF ADMINISTRATIVE BURDEN.

(a) Administrative burden recognized.--The Legislature recognizes that this Act imposes substantial duties of corroboration, validation, reporting, medical continuity, and audit.

(b) Duty to perform notwithstanding burden.--All administering authorities shall perform those duties notwithstanding administrative burden, subject only to the express deadlines and statutory transition provisions of this Act.

SECTION 49. REAFFIRMATION OF LIMITING RULES.

(a) Limiting rules reaffirmed.--The following rules are central to this Act and shall be enforced strictly:

(1) Extended incapacitative custody is limited to the narrow repeat-violent-offender class specified in Section 3.

(2) Each violence-history feature shall be supported by at least 2 independent, auditable sources.

(3) Incomplete corroboration at the scheduled re-validation decision results in no extension.

(4) Any extension is capped at a fixed increment.

(5) The age and medical-frailty bar applies except where a timely override is granted under Section 7.

(6) The crowding threshold triggers routing to the alternative incapacitation remedy.

(7) Technical violations alone may not trigger detention or reincarceration.

(8) Race-blind tool construction and independent replication are mandatory.

(9) Structural remediation, not longer custody, is the remedy for systematic failure.

(b) Enforcement of central rules.--A court shall construe and enforce this Act in a manner that preserves the central rules in subsection (a).

SECTION 50. REPEAL OF TEMPORARY AUTHORITY ON EXPIRATION OR ROLLBACK.

(a) Termination of temporary authority.--Upon sunset, repeal, or rollback of any mechanism authorized by this Act, any temporary authority created solely by that mechanism shall cease as of the applicable termination date.

(b) Preservation of transition.--Termination under subsection (a) shall not relieve the State of any duty to preserve medical continuity, lawful release processing, or any other obligation expressly surviving under this Act or other law.

SECTION 51. IMPLEMENTATION CONFORMITY CERTIFICATE.

(a) Certificate required.--Before the first extension hearing under this Act, each administering authority shall certify conformity with the provisions of this Act.

(b) Contents.--The certificate shall state that the authority has implemented the required forms, training, recordkeeping, reporting, capacity certification, medical continuity, and audit processes.

(c) Filing.--The certificate shall be filed with the oversight panel and the chief clerk of the court of competent jurisdiction.

SECTION 52. AUTHORITY FOR INTERAGENCY AGREEMENTS.

(a) Agreements authorized.--The administering authorities may enter into interagency agreements necessary to carry out this Act, including agreements for records exchange, medical handoff, supervision coordination, and audit support.

(b) Limit.--No agreement may alter the substantive rights, burdens, deadlines, or limitations established by this Act.

SECTION 53. EXPRESSED PRIORITY OF PUBLIC SAFETY AND LIMITATION OF INCARCERATION.

(a) Priority.--This Act gives priority to both public safety and the limitation of incarceration to persons meeting the strict eligibility and evidence criteria herein.

(b) Limitation.--Nothing in this Act shall be construed to authorize incarceration of persons not meeting those criteria or to authorize extension based on generalized risk, stale misconduct, or incomplete corroboration.

SECTION 54. EFFECT ON ADMINISTRATIVE CLASSIFICATION.

(a) Classification not dispositive.--Administrative classification alone shall not authorize extended incapacitative custody, the alternative incapacitation remedy, or any custodial response under this Act.

(b) Record use.--Administrative classification may be used only to the extent it is otherwise admissible and corroborated under this Act.

SECTION 55. FINAL RULE ON AUTHORITY.

(a) Exclusive statutory authority.--All authority to impose extended incapacitative custody, alternative incapacitation, expedited override, emergency hold, or breach-based custody under this Act is exclusive to the terms of this Act.

(b) No broader inherent power.--No broader inherent power shall be implied to circumvent the statutory limits, deadlines, or safeguards.

SEC. 56. APPROVAL OF IMPLEMENTATION FORMS AND CHECKLISTS.

(a) Approval.--The State validation and audit unit shall approve implementation forms and checklists before use.

(b) Consistency requirement.--Approved forms and checklists shall remain consistent with the statutory limits on eligibility, corroboration, timing, and remedies.

SEC. 57. ANNUAL LEGISLATIVE HEARING.

(a) Hearing required.--The Legislature shall hold an annual public hearing during the first 5 years after the operative date to review implementation, reports, audits, rollback triggers, and corrective actions.

(b) Testimony.--The hearing shall include testimony from the oversight panel, the administering authorities, affected persons, counsel, victims, medical reviewers, and other stakeholders as the Legislature may determine.

SEC. 58. NO IMPLIED EXHAUSTION BARRIER.

(a) Court access.--Nothing in this Act shall be construed to create a new exhaustion requirement beyond those expressly provided by existing law.

(b) Timely relief.--A court may grant timely relief necessary to enforce the deadlines and prohibitions of this Act.

SEC. 59. EFFECT ON PREEXISTING RELEASE MECHANISMS.

(a) No displacement absent conflict.--Nothing in this Act shall displace a more protective release mechanism unless the Legislature expressly states that such mechanism is displaced.

(b) Harmonization of reviews.--If another release mechanism exists, the administering authorities and courts shall, to the extent lawful, coordinate proceedings to avoid duplicative custody and to preserve the more protective rule.

SEC. 60. FINAL DECLARATION.

(a) The Legislature declares that the provisions of this Act are intended to be administrable, auditable, limited, and enforceable.

(b) The Legislature further declares that the Act's central design is to authorize extended incapacitative custody only upon strict and repeated proof, to require prompt transition when proof is incomplete, to protect older and medically frail persons, to avoid overcrowding, to prevent technical-violation reincarceration, and to prevent perverse incentives and racial disparity in the use of state power.

(c) This Act shall be applied to give full effect to that design.

Analytical Comparison

The generated bill narrows sentencing consequences, uses risk and proportionality review, preserves judicial procedures, and builds in audit and review. It diverges from the broad mandatory enhancement structure associated with excessive incarceration and weak marginal public-safety returns.

8. Case Analysis

San Francisco 1994 rent-control expansion

Case type: historically weak or adverse practice.

Historical Legal Regime

San Francisco's 1994 rent-control expansion applied rent-increase limits to additional small multifamily buildings constructed before the relevant cutoff date. The regime protected incumbent tenants from sudden rent shocks and increased residential stability for covered households. It also changed landlord incentives by making conversion to owner-occupied use, redevelopment, or withdrawal from the rental market more attractive responses to long-term rent restrictions.

Normative Request

Design a city housing-affordability law to protect existing tenants from sudden displacement and rent shocks while preserving or increasing the long-run supply of rental housing.

Empirical Evidence

Diamond, McQuade, and Qian find that rent control increased covered tenants' probability of remaining at their address, but also reduced rental housing supply through landlord responses. Stanford's summary reports a 15 percentage-point reduction in treated landlords' rental supply, and the NBER paper estimates a 6% decline in San Francisco rental supply from the expansion. Brookings concludes that reduced supply likely contributed to higher long-run rents. The evidence supports tenant protection paired with supply preservation.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Broad rent-control expansion that strongly protects incumbent tenants but induces landlords to remove units from the rental market, convert tenure, or reduce long-run supply without offsetting production mechanisms. Preferred architecture: Tenant protection targeted to vulnerable renters combined with rental-supply expansion, anti-displacement assistance, means-tested subsidies or vouchers, by-right housing production, preservation incentives, and monitoring of conversions and rental stock.

Generated Bill

A BILL

To establish the City Housing Affordability and Tenant Stability Act; to regulate rent increases in covered rental housing; to authorize standardized landlord recoupment mechanisms; to establish an Affordable Housing Offset entitlement; to create anti-displacement procedures and remedies; to provide for administration, enforcement, reporting, appropriations, relation to existing law, severability, and an effective date; and for other purposes.

Be it enacted by the Council of the City of ___________________________:

SECTION 1. SHORT TITLE; PURPOSE; CONSTRUCTION.

(a) Short title.—This Act may be cited as the “City Housing Affordability and Tenant Stability Act”.

(b) Purpose.—The purposes of this Act are to reduce sudden displacement and rent shocks in occupied rental housing, to preserve or increase the long-run supply of rental housing, to provide predictable landlord recoupment mechanisms for verified costs, to create a statutory Affordable Housing Offset entitlement under specified conditions, and to establish administrable anti-displacement procedures based on prospective, formula-based, and evidence-verified determinations.

(c) Construction.—This Act shall be construed and administered to:

(1) apply prospectively unless expressly stated otherwise;

(2) use formulas, published schedules, standardized forms, and documented evidence in all determinations;

(3) avoid retroactive re-rating of rent or charges unless expressly authorized by this Act;

(4) preserve ordinary maintenance, habitability, safety, ownership, and due-process rights except as expressly limited by this Act; and

(5) preserve or increase the long-run supply of rental housing.

(d) Plain-language publication.—The Department shall publish, not later than 60 days after the date of enactment of this Act, a plain-language summary of the rights, duties, filing requirements, deadlines, and remedies established by this Act.

SEC. 2. DEFINITIONS.

(a) In general.—In this Act, the following definitions apply:

(1) Active lease.—The term “active lease” means a written or oral residential rental agreement, including a renewal term, under which a tenant lawfully occupies a covered rental unit and the tenancy has not terminated by lawful surrender, final judgment for possession, or other lawful termination under this Act.

(2) Affordable Housing Offset.—The term “Affordable Housing Offset” means a payment from the City to an owner of a covered property in the amount, and only in the amount, determined under sections 10, 11, and 12.

(3) Affordability band.—The term “affordability band” means the rent threshold by unit size or unit category published by the Department under section 16(c), which threshold shall be based on a unit-size schedule or comparable local affordability schedule adopted by rule and updated mechanically under this Act.

(4) Annual rent increase.—The term “annual rent increase” means any prospective increase in rent applicable to the next rent cycle for a covered occupied unit with an active lease, whether denominated as base rent, renewal rent, service rent, or any substantially similar charge for the use or occupancy of the unit, but does not include a permitted pass-through authorized under sections 6 through 9 or a lawful fee expressly excluded by this Act.

(5) Approved Major Repair Plan.—The term “Approved Major Repair Plan” means a Major Repair Plan approved by the Department under section 6.

(6) Covered property.—The term “covered property” means a parcel or property containing one or more covered rental units.

(7) Covered rental unit.—The term “covered rental unit” means a residential rental unit located within the City and occupied by a tenant, except as expressly exempted under section 3.

(8) Department.—The term “Department” means the Department of Housing or any successor agency designated by the City to administer this Act.

(9) Evidence-verified procedure.—The term “evidence-verified procedure” means a procedure that requires documentary support, sworn statements where specified, inspection records where required, and written findings based on the evidentiary standard specified in this Act, and that does not permit discretionary re-pricing or unbounded balancing unless expressly authorized.

(10) Force majeure.—The term “force majeure” means an event beyond the reasonable control of the owner, including fire, flood, earthquake, major utility interruption, or other comparable event, to the extent recognized under city rule or other applicable law as a force majeure event.

(11) Gross potential rent.—The term “gross potential rent” means the total rent that would be collectable for a unit or property if all covered units were occupied at lawful charges determined under this Act, excluding unpaid penalties, unlawful charges, and amounts barred by this Act.

(12) Health or safety condition.—The term “health or safety condition” means a condition in a covered rental unit or covered property that, based on an independent inspection under section 15, materially threatens human health or physical safety and cannot be adequately addressed by a lesser remedy.

(13) Housing authority.—The term “housing authority” means the Department or another office, board, or officer designated by the City to carry out functions under this Act.

(14) Imminent harm.—The term “imminent harm” means an objectively verifiable condition that is likely to cause immediate and substantial injury to persons or property if occupancy continues, as specified by rule under section 15(d).

(15) Inflation index or CPI-U.—The term “Inflation index” or “CPI-U” means the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, not seasonally adjusted, published by the Bureau of Labor Statistics, or any successor index selected by rule if that index is discontinued.

(16) Major Repair Plan.—The term “Major Repair Plan” means a written plan filed by an owner under section 6 that identifies capital improvements for a covered property, the estimated cost of each improvement, the projected timing of performance, the proposed amortization schedule, the allocation method among units, and the documentation required for completion verification.

(17) Net operating income or NOI.—The term “Net operating income” or “NOI” means, with respect to a covered property, gross rental and other eligible property income less the deductions expressly allowed under section 11, computed under the statutory method established by this Act and not under any other accounting convention unless expressly incorporated by rule for mechanical recording purposes.

(18) Operating-cost baseline.—The term “operating-cost baseline” means the rolling baseline established under section 9 for eligible operating costs in each permitted cost category.

(19) Operating-cost pass-through.—The term “operating-cost pass-through” means a prospective rent charge authorized under section 8 that reflects eligible operating costs exceeding the applicable operating-cost baseline.

(20) Owner.—The term “owner” means the record titleholder, contract purchaser, trustee, beneficial owner, or other person or entity exercising control over a covered property, and includes an agent authorized to act on behalf of such person or entity.

(21) Owner-occupancy displacement.—The term “owner-occupancy displacement” means the removal of a tenant from a covered rental unit on the ground that the owner intends to occupy the unit as a primary residence or as a single primary residence for the

property, as limited by section 14.

(22) Renewal term.—The term “renewal term” means a subsequent lease term offered upon expiration of an existing lease or any automatic continuation period treated by law as a renewal or extension for the purposes of possession and rent-setting.

(23) Retroactive catch-up.—The term “retroactive catch-up” means the collection of amounts previously foregone because of a lawful cap, stay, or limitation under this Act, whether by separate surcharge, back-billing, true-up outside the terms of this Act, or any functionally equivalent mechanism.

(24) Severe nuisance.—The term “severe nuisance” means repeated, documented conduct by a tenant or occupant that substantially interferes with the health, safety, or peaceful use of a covered property and that satisfies the evidentiary standard established under section 15.

(25) Supply indicator.—The term “supply indicator” means the objective metric established under section 20, consisting of permitted starts and placed-in-service rental unit stock, adjusted by the measurement protocol adopted under that section.

(26) Unit category.—The term “unit category” means a classification based on bedroom count, studio status, or other objective unit-size classification adopted by the Department by rule for purposes of section 16.

(27) Written findings.—The term “written findings” means findings issued in writing that identify the evidence considered, the statutory standard applied, and the reasons for approval, denial, adjustment, or stay.

(b) Additional definitions by rule.—The Department may by rule define non-substantive administrative terms used in forms, worksheets, and notices under this Act, provided that any such definition does not alter a substantive right, duty, timing, or standard established by this Act.

SEC. 3. APPLICABILITY; EXEMPTIONS; RELATION TO EXISTING LAW.

(a) Applicability.—This Act shall apply to occupied rental housing units within the City that meet the definition of a covered rental unit.

(b) Occupancy and active lease requirement.—A unit shall be covered only while the unit is occupied and subject to an active lease or renewal term.

(c) No opt-in requirement.—The City may not require a covered unit to opt in as a condition of protection under this Act unless this Act expressly states otherwise.

(d) Express exemptions.—Units shall be exempt only if expressly excluded in this section, including:

(1) units not used as rental housing;

(2) units lawfully occupied under exclusive public occupancy programs if separately governed by law and if the separate law expressly provides that this Act does not apply;

(3) transient lodging accommodations lawfully used for stays of less than 30 consecutive days;

(4) units in a building or program expressly exempted by another applicable law enacted after the date of this Act; and

(5) any additional category the City is authorized by law to exempt by ordinance, provided that the ordinance expressly identifies the category and the basis for the exemption.

(e) Supplementation of existing law.—This Act shall supplement existing housing, habitability, landlord-tenant, inspection, and administrative law to the extent not inconsistent with that law.

(f) Stronger protections preserved.—Where another local rule affords stronger tenant protection and does not conflict with this Act, that rule shall remain in effect.

(g) Conflict rule.—To the extent of a direct conflict between this Act and another local rule applicable to the same unit and the same subject matter, this Act shall control only to the minimum extent necessary to resolve the conflict.

(h) Burden on exemption claimant.—A party asserting an exemption under this section shall bear the burden of producing documentary support sufficient to establish the exemption by the applicable standard.

(i) Public checklist.—The Department shall publish an exemption checklist and a coverage checklist, each of which shall identify the required documents, filing steps, and decision deadlines.

SEC. 4. PROSPECTIVE ANNUAL RENT CAP.

(a) Default cap.—For each covered occupied unit with an active lease, any annual rent increase for the next rent cycle shall not exceed the lesser of—

(1) CPI-U plus 1.5 percent; or

(2) 8 percent.

(b) Prospective only.—The cap under subsection (a) shall apply prospectively only.

(c) No retroactive catch-up.—No landlord may collect retroactive catch-up on amounts not charged because of the cap under subsection (a), whether by separate charge, surcharge, back billing, future-period adjustment, or any substantially similar mechanism.

(d) Notice of increase.—A landlord seeking to implement an annual rent increase shall provide written notice to the tenant stating—

(1) the prior lawful rent;

(2) the proposed new rent;

(3) the calculation used to determine the increase;

(4) the date on which the increase will take effect;

(5) any approved pass-through amount included in the new rent; and

(6) a statement of the tenant's right to contest any portion of the increase under this Act.

(e) CPI-U reference date.—The Department shall annually publish the CPI-U reference period to be used for the upcoming rent cycle, together with the calculation worksheet and the maximum lawful percentage increase.

(f) Relationship to pass-throughs and Offset.—Nothing in this section shall be construed to bar a rent increase authorized under sections 7, 8, or 10, provided that the increase is prospective, properly calculated, and lawfully noticed.

(g) Unlawful collection.—Any rent collected in excess of the cap or in violation of this section shall be subject to refund, interest, and any civil remedy authorized under section 22.

SEC. 5. NOTICE, FILING, AND COMPLETENESS FOR RENT CHANGES.

(a) Filing required for above-cap increases.—A landlord seeking a rent increase above the default cap through any authorized pathway shall file the required package before the statutory deadline established by this Act or by rule consistent with this Act.

(b) Required package.—A filing package under this section shall include all documents, calculations, certifications, and supporting records required by this Act and implementing rules, including where applicable:

(1) the proposed rent schedule;

(2) any Major Repair Plan approval;

(3) completion evidence;

(4) operating-cost records;

(5) baseline calculations;

(6) tenant notice forms;

(7) any sworn statements required by this Act; and

(8) any additional record required to verify compliance with a specific statutory pathway.

(c) Material completeness.—A filing that omits a required document, calculation, certification, or record in a manner that prevents verification of eligibility or arithmetic shall be materially incomplete.

(d) Effect of incomplete filing.—A materially incomplete filing shall not authorize an above-cap increase.

(e) Completeness review.—The Department shall issue a completeness determination not later than 21 days after receipt of a filing.

(f) Defect notice and resubmission.—If a filing is incomplete but correctable, the Department shall issue a defect notice identifying the missing or defective items, and the filer shall have one resubmission opportunity within the period established by rule, which period shall not be shorter than 7 days.

(g) Default continuation of lawful rent.—If the filing is not timely or is not complete after the resubmission opportunity, the prior lawful rent shall continue for the next rent cycle.

(h) Limit on review at completeness stage.—The completeness stage shall be limited to objective document, arithmetic, and certification review unless this Act expressly requires substantive verification.

(i) No vacate requirement pending review.—No tenant shall be required to vacate or surrender possession pending a completeness determination under this section.

SEC. 6. MAJOR REPAIR PLAN APPROVAL.

(a) Eligibility for capital-improvement pass-through.—A landlord may seek a capital-improvement pass-through only for improvements pre-identified in a city-approved Major Repair Plan for the property.

(b) Required contents.—A Major Repair Plan shall specify, at a minimum—

(1) the covered property and units to which the plan applies;

(2) the scope of each proposed capital improvement;

(3) the estimated cost of each improvement;

(4) the projected timing of performance;

(5) the amortization schedule proposed under section 7;

(6) the unit allocation method for recoupment;

(7) the records required to verify completion;

(8) any required permits, approvals, or code-compliance documents; and

(9) a certification that the proposed work is lawful and materially consistent with applicable building, health, and safety requirements.

(c) Filing and review.—The owner shall file a Major Repair Plan on the form prescribed by the Department, together with supporting cost documentation and any required permit applications.

(d) Department action.—The Department may approve a Major Repair Plan only if the proposed work is documented, lawful, and capable of verification.

(e) Approval deadline.—The Department shall approve, deny, or request correctable amendments to a Major Repair Plan not later than 30 days after receipt of a complete filing.

(f) Correctable amendments.—If the Department requests correctable amendments, the owner shall have one opportunity to cure the identified defects within the time specified by rule, which time shall not be shorter than 10 days.

(g) Eligibility lock.—Approval of a Major Repair Plan shall create an eligibility lock for the amortized portion of the plan through the standardized schedule approved under section 7, if the work is completed and documented.

(h) Limitation on later denial.—After completion and documentation of approved work, the Department may correct arithmetic or record errors, but may not negate eligibility for the completed work on a discretionary basis.

(i) Falsification.—A person who knowingly files a false Major Repair Plan or supporting record shall be subject to civil penalties, repayment, and any disqualification period established under section 22.

SEC. 7. CAPITAL-IMPROVEMENT PASS-THROUGH.

(a) Authorization.—A landlord may add a capital-improvement pass-through only for work that—

(1) was approved in a Major Repair Plan under section 6; and

(2) has been completed and documented.

(b) Standardized amortization.—The pass-through shall be amortized using the standardized schedule set by the Department by rule, which schedule shall include a defined useful life, amortization method, and unit allocation formula.

(c) Completion evidence.—Before collection begins, the landlord shall submit completion evidence, including, as applicable—

(1) final invoices;

(2) permit finalizations;

(3) contractor certifications;

(4) inspection approvals; and

(5) photographs, records, or other evidence required by rule.

(d) Verification.—The Department shall verify completion through records review and, if necessary, inspection.

(e) Arithmetic and record reconciliation.—Final reconciliation may adjust arithmetic or record errors, but shall not alter the eligibility of completed approved work under the eligibility lock created by section 6(g).

(f) Prospective charge only.—A capital-improvement pass-through shall be charged prospectively only and shall not be imposed retroactively.

(g) Maximum charge.—The pass-through shall not exceed the approved amortized amount attributable to the covered unit.

(h) Unit allocation.—If a project benefits more than one unit, the owner shall allocate costs among units using the approved unit allocation method. The Department may require a uniform allocation method for like units within the same property.

(i) Refund for overcollection.—Any overcollection of a capital-improvement pass-through shall be refunded with interest calculated at the statutory interest rate established by rule, and repeated violations may result in civil penalties under section 22.

SEC. 8. OPERATING-COST PASS-THROUGH.

(a) Authorization.—Utility, tax, insurance, and required compliance costs may be added prospectively only to the extent they exceed the operating-cost baseline established under section 9.

(b) Eligible categories.—Only the following cost categories shall be eligible under this section:

(1) utility charges directly attributable to the covered property;

(2) property taxes or equivalent local real-property levies;

(3) property insurance premiums;

(4) required compliance costs imposed by law, regulation, or final governmental order; and

(5) any additional category expressly added by ordinance or rule adopted under authority granted by ordinance, if the addition expressly identifies the category and baseline method.

(c) Excluded categories.—The following shall not be included unless expressly authorized by later ordinance:

(1) owner profit;

(2) debt service;

(3) speculative valuation changes;

(4) nonproperty operating expenses not directly tied to the covered property;

(5) executive compensation not directly allocable to eligible property management;

(6) any cost category not listed in subsection (b).

(d) Documentation.—A landlord seeking an operating-cost pass-through shall file annual cost documentation in the form prescribed by the Department, including invoices, bills, tax statements, insurance statements, and proof of payment, as applicable.

(e) Dispute scope.—Any dispute under this section shall be limited to arithmetic, record support, and whether the claimed items fall within an eligible cost category.

(f) Prospective charge only.—An operating-cost pass-through shall be charged prospectively only and shall not be imposed retroactively.

(g) No market reset.—No discretionary market-rate reset, appraisal-based reset, or comparable discretionary pricing adjustment shall be permitted under this section.

(h) Shared costs.—If an expense relates to multiple properties or mixed-use portions, the owner shall allocate the expense to the covered property using a reasonable, documented allocation method prescribed by the Department.

(i) Refund for overcollection.—Any overcollection under this section shall be refunded with interest and may be subject to civil penalties for repeated violations or falsified documentation.

SEC. 9. OPERATING-COST BASELINE AND MECHANICAL ADJUSTMENT.

(a) Baseline established by statute.—The operating-cost baseline shall be fixed by statute and updated only by mechanical index adjustments expressly stated in this section.

(b) Mechanical adjustment.—The Department shall adjust the baseline by the percentage change in the relevant published index or other mechanical factor specified by rule for each eligible category, using the same published methodology for all covered units within the same cost category.

(c) No discretionary reset.—The baseline shall not be reset by discretionary appraisal, hearing officer judgment, market survey, or individualized owner hardship determination.

(d) Published methodology.—The Department shall publish the baseline method, the applicable index, the reference period, and the updated category amounts at least 30 days before the effective date of the updated baseline.

(e) Record retention.—The finance department shall retain the underlying baseline calculation records and methodology worksheets for audit and public inspection consistent with privacy law.

(f) Late publication.—Failure to publish the baseline timely shall not impair tenant protections under this Act and shall not authorize a landlord to impose an unapproved market-rate charge; instead, the prior published baseline shall continue until replaced by a lawful update.

SEC. 10. AFFORDABLE HOUSING OFFSET ENTITLEMENT.

(a) Entitlement established.—If the rent cap under section 4 reduces a property's NOI below the baseline defined by this Act, the owner shall be entitled to the Affordable Housing Offset.

(b) Funding source.—The Affordable Housing Offset shall be paid from a dedicated city fund, a segregated account, or another authorized source established by appropriation, ordinance, or other lawful financial mechanism.

(c) Entitlement character.—The Affordable Housing Offset shall be an entitlement subject only to the statutory eligibility, calculation, filing, audit, and reconciliation rules established by this Act.

(d) No discretionary denial.—If the statutory conditions are satisfied, the City shall not deny the Offset on the basis of budget preference, discretionary balancing, or generalized policy objections.

(e) No rent catch-up.—An Offset payment shall not be used to justify rent catch-up above the cap under section 4.

(f) Quarterly filing.—An owner shall file a quarterly Offset claim in the form prescribed by the Department, together with the required NOI calculation and supporting records.

(g) Interim payment.—The City shall make interim quarterly Offset payments in accordance with section 12 once eligibility is shown by the statutory formula.

(h) Interest on underpayment.—Any underpayment of the Affordable Housing Offset shall be corrected by reconciliation and payment of interest at the statutory rate.

(i) Use of overpayment recovery.—Any recovery of overpayment shall be limited to the recovery mechanisms expressly authorized by this Act or by another applicable law.

SEC. 11. NOI DEFINITION AND BASELINE FORMULA.

(a) Required NOI method.—The City shall use the statutory NOI method set forth in this section for all Offset calculations.

(b) Included income.—NOI shall include the following income items to the extent actually received or lawfully accruing from the covered property:

(1) gross rent from covered units;

(2) lawful pass-throughs collected under sections 7 and 8;

(3) ancillary income directly attributable to the covered property, including laundry, parking, storage, or similar property-specific revenue, if separately recorded; and

(4) any other property-specific income category expressly included by rule consistent with this Act.

(c) Excluded income.—NOI shall exclude the following:

(1) unlawful rent charges;

(2) penalties;

(3) reimbursement for amounts not actually received;

(4) unrelated affiliate revenue;

(5) capital contributions;

(6) loan proceeds; and

(7) any item not expressly included in subsection (b).

(d) Allowed deductions.—NOI shall be reduced only by the following deductions, to the extent paid or incurred for the covered property:

(1) property operating expenses;

(2) eligible maintenance expenses;

(3) property taxes;

(4) property insurance;

(5) required compliance costs;

(6) approved capital-improvement amortization under section 7;

(7) documented vacancy loss calculated under the Department’s worksheet if expressly allowed by rule; and

(8) any other deduction expressly authorized by rule consistent with this Act.

(e) Disallowed deductions.—NOI shall not be reduced by:

(1) owner compensation not directly allocable to the covered property;

(2) equity return;

(3) debt service;

(4) speculative valuation changes;

(5) unrelated business expenses; or

(6) any deduction not expressly listed in subsection (d).

(f) Baseline formula fixed at enactment.—The baseline formula for NOI comparison shall be fixed at enactment and may be updated only by mechanical index movement expressly allowed by this Act.

(g) Mechanical update only.—Any adjustment to the baseline formula shall be mechanical, published, and reproducible, and shall not depend on hearing officer discretion, market survey, individualized valuation, or case-by-case balancing.

(h) Calculation worksheet.—The Department shall publish a calculation worksheet and audit checklist for NOI determination, and the same worksheet shall be used for all Offset claims unless a property-specific record variance requires a documented mechanical adjustment under rule.

(i) Retention of records.—Owners seeking an Offset shall retain supporting records for the statutory retention period established by rule.

SEC. 12. QUARTERLY OFFSET PAYMENT; AUDIT; TRUE-UP.

(a) Quarterly interim payments.—The City shall make quarterly interim Affordable Housing Offset payments once eligibility is shown by the statutory formula.

(b) Claim review.—The Department shall review Offset claims using the published NOI worksheet and supporting records.

(c) Payment deadline.—Interim payments shall be issued on the schedule established by the finance department, which schedule shall not exceed 30 days after a complete quarterly claim is determined eligible.

(d) Final audit.—The City shall conduct a final audit after the designated period and issue a written true-up determination.

(e) True-up payment.—Any underpayment identified by final audit shall be paid with interest not later than 30 days after the true-up determination becomes final.

(f) Overpayment recovery.—Any overpayment may be recaptured only as authorized by law, and recovery shall be limited to the minimum amount necessary to correct the overpayment.

(g) No rent catch-up remedy.—Audit findings under this section shall not authorize rent catch-up above the cap under section 4.

(h) Delay reporting.—If the City fails to issue a payment or true-up within the applicable deadline, the Department shall report the delay to the city manager or equivalent chief administrative officer and shall identify the cause and corrective action.

(i) Appeal of true-up.—An owner may appeal a true-up determination under section 19.

SEC. 13. NO-CAUSE TERMINATION RESTRICTION.

(a) General rule.—No no-cause eviction or no-cause termination at expiration of the first renewal term shall be permitted for covered units during the first 5 years after coverage begins.

(b) Required authorized ground.—A landlord seeking possession during the period described in subsection (a) shall identify a ground expressly authorized by this Act or by another applicable law that does not conflict with this Act.

(c) Void notice.—Any notice that fails to state an authorized ground with sufficient specificity shall be void.

(d) Notice contents.—Any notice seeking possession under this Act shall state:

(1) the statutory ground;

(2) the material facts supporting the ground;

(3) the date by which the tenant is required to respond or cure, if applicable;

(4) any hearing or appeal information required by this Act; and

(5) a statement of the tenant's right to remain pending any stay or hearing required by this Act.

(e) Continuation of protections.—The restriction in this section shall be applied without regard to the tenant's income, household composition, nationality, disability status, family status, or any other protected status.

(f) No waiver by lease term.—A lease provision waiving the protection created by this section shall be unenforceable.

SEC. 14. OWNER-OCCUPANCY DISPLACEMENT.

(a) Limited authorization.—Owner-occupancy displacement shall be allowed only when the property is a verified single primary residence and the owner's claim satisfies the City's verification process.

(b) Verification before vacate.—The City shall complete verification before the tenant is required to vacate.

(c) Relocation-expense escrow.—At the time of filing an owner-occupancy displacement application, the owner shall deposit an immediate relocation-expense escrow in the amount established by rule, and the escrow shall be held by the City or escrow agent for the tenant's benefit.

(d) Automatic payable status.—The relocation-expense escrow shall be automatically payable according to the filing status and verification outcome prescribed by rule, and may be disbursed without awaiting final litigation except as needed to correct ministerial error.

(e) Failure of verification.—If verification is not passed, displacement for that cycle shall be barred.

(f) Misrepresentation.—If the City finds, by the applicable standard and written findings, that the owner knowingly made a material misrepresentation in an owner-occupancy application, the City or court may impose liquidated damages, repayment of costs, and a disqualification period for future owner-occupancy claims.

(g) Single primary residence requirement.—For purposes of this section, the property shall qualify only if the owner's claimed occupancy would make the covered unit or property the owner's single primary residence, as defined by rule and verified by documentary evidence.

(h) No constructive displacement before verification.—No tenant shall be constructively displaced through threats of lockout, shutoff, or other coercive conduct before verification is completed.

SEC. 15. HEALTH, SAFETY, AND SEVERE-NUISANCE DISPLACEMENT.

(a) General rule.—Displacement for health, safety, or severe nuisance shall be permitted only after service-and-cure where cure is feasible, independent inspection, the evidentiary standard established by this Act, and proportionality review.

(b) Service and cure.—If cure is feasible, the landlord shall serve written notice describing the alleged condition or conduct and shall allow the tenant a cure period established by rule.

(c) Independent inspection.—Before displacement may be authorized, an independent inspector designated or approved by the Department shall inspect the property or review the evidentiary record, as applicable.

(d) Evidentiary standard.—The Department shall by rule establish a clear evidentiary standard requiring documented, reliable, and specific proof of the alleged condition or conduct.

(e) Least restrictive remedy.—The landlord, the Department, and any hearing officer shall use the least restrictive remedy adequate to address the condition before authorizing displacement.

(f) Automatic stay.—An automatic stay shall apply pending final adjudication unless objective imminent harm is shown.

(g) Enumerated objective imminent harm.—For purposes of subsection (f), objective imminent harm shall be limited to the following:

(1) active fire conditions;

(2) active structural failure;

(3) confirmed gas leak or other immediate toxic exposure;

(4) confirmed electrical hazard presenting immediate substantial risk of injury;

(5) violent conduct creating an immediate danger to persons;

(6) any other condition expressly designated by rule after public notice and findings that the condition presents immediate and substantial injury risk.

(h) Narrow construction.—This section shall be narrowly construed to prevent displacement based on inconvenience, landlord preference, or retaliatory motive.

(i) Wrongful displacement.—Wrongful displacement under this section shall require reinstatement if practicable, damages, and any civil penalty authorized under section 22.

SEC. 16. VACANCY RE-ENTRY UPLIFT.

(a) Maximum uplift.—Upon vacancy, the re-entry rent increase shall not exceed CPI-U plus 1 percent.

(b) Affordability band limitation.—The uplift under subsection (a) shall apply only if the prior rent for the unit was at or below the affordability band for that unit size or category.

(c) Publication of affordability band.—The Department shall publish the affordability band schedule by unit category annually, using a mechanical update rule set by the Department and based on a published affordability formula or fixed median-rent schedule.

(d) Documentation of prior rent.—Before charging a vacancy re-entry increase, the landlord shall document the prior rent and the unit's eligibility under subsection (b).

(e) No evasion of cap.—A vacancy re-entry increase shall not be used to evade the prospective rent cap under section 4.

(f) Prospective only.—No vacancy re-entry increase shall authorize retroactive recovery of foregone increases.

(g) Refund of overcharge.—Any overcharge under this section shall be refunded with interest and may be subject to civil penalties for repeated violations.

SEC. 17. ENFORCEMENT-LIQUIDITY FIREWALL.

(a) Prohibited coercive remedies in ordinary disputes.—The City may not use dispute or verification proceedings to impose, or to authorize any party to impose under color of City process, the following remedies for ordinary compliance disputes:

(1) lockouts;

(2) possession acceleration;

(3) asset freezes; or

(4) withholding of basic rent-access remedies.

(b) Ordinary compliance disputes.—For purposes of this section, “ordinary compliance disputes” means disputes concerning completeness, arithmetic, record support, notice timing, filing status, baseline calculations, or comparable ministerial or statutory compliance questions that do not involve repeated bad-faith patterns or falsified documentation.

(c) Bad-faith and falsification.—Civil penalties and eligibility consequences shall attach only for repeated bad-faith patterns or falsified documentation, as established by written findings under the applicable evidentiary standard.

(d) Separate tracks.—The Department, the hearing office, and the city attorney shall establish separate ordinary-dispute and bad-faith enforcement tracks.

(e) Basic rent-access remedies preserved.—Nothing in this Act shall be construed to authorize the withholding of ordinary rent collection, ordinary billing, or lawful payment-access mechanisms during a pending ordinary dispute, except to the extent the specific charge is stayed under this Act.

(f) Void coercive action.—Any unauthorized coercive remedy imposed in violation of this section shall be void and subject to correction orders and other lawful relief.

SEC. 18. ADMINISTRATIVE ADJUDICATION AND DEADLINES.

(a) Single-step review.—Pass-through and Offset disputes shall be decided in a single-step arithmetic and records review process unless this Act requires additional factual verification.

(b) Deadline.—The City shall issue a determination within 21 days after a complete filing.

(c) Default approval for completeness.—A complete filing shall receive default administrative approval if the deadline is missed, subject to later correction of non-substantive errors.

(d) Written findings.—Each determination shall include written findings identifying the evidence reviewed, the standard applied, and the amount approved, denied, adjusted, stayed, or paid.

(e) Evidence checklist.—The Department shall publish a fixed evidentiary checklist for each filing type.

(f) Limit on discretion.—The tribunal shall use summary procedures and shall not engage in open-ended re-litigation of categories that are fixed by statute or published schedule.

(g) Non-substantive correction.—Default approval under subsection (c) shall not waive correction of arithmetic errors, obvious clerical errors, or fraud identified under section 19.

(h) Public tracking.—The Department shall maintain a docket or tracking system that records filing date, completeness status, decision date, and outcome for each matter.

SEC. 19. APPEALS, STAY RULES, AND FRAUD EXCEPTION.

(a) Appeal rights.—Appeal rights shall be available to any party aggrieved by a final determination under this Act.

(b) No automatic suspension of possession right to remain.—An appeal may be filed without suspending the tenant’s right to remain, except as provided in subsection (c).

(c) Fraud exception.—If objectively proven fraud is found after final determination under this Act, the hearing officer or court may issue such stay, rescission, restitution, or possession order as is authorized by law and supported by written findings.

(d) Specific proof.—Fraud shall require specific proof and written findings identifying the misrepresentation, the materiality, and the evidentiary basis for the finding.

(e) Narrow construction.—The fraud exception shall be narrowly construed.

(f) Appeal deadline and record review.—The Department shall by rule establish a short appeal deadline and a record-review standard that resolves appeals on the written record unless a hearing is expressly required by this Act.

(g) Remedy pending appeal.—Unless fraud is found under subsection (c), the tenant shall remain entitled to the protections of sections 13, 14, and 15 pending appeal, and no possession change shall occur solely because of the filing of an appeal.

SEC. 20. SUPPLY-PRESERVATION ADJUSTMENT AFTER SEVEN YEARS.

(a) Adjustment authority.—After 7 years, the City may adjust pass-through limits only by reference to the supply indicator defined in this section.

(b) Supply indicator components.—The supply indicator shall consist of:

(1) permitted starts for rental housing;

(2) placed-in-service rental unit stock; and

(3) any adjustment protocol necessary to normalize for demolitions, lawful conversions, or replacements, as specified by rule.

(c) Measurement protocol.—The Department of Planning, or any successor office designated by the City, shall publish the measurement protocol, data sources, inclusion rules, exclusion rules, and calculation method before the adjustment window opens.

(d) Underperformance response.—If supply underperforms for 2 consecutive years, the default response shall be to relax pass-through limits, not weaken right-to-remain protections.

(e) Tenant protections preserved.—No adjustment under this section shall reduce the tenant protections established in sections 4, 13, 14, 15, 16, or 17 unless expressly authorized by later ordinance.

(f) Prospective effect only.—Any adjustment under this section shall apply prospectively only.

(g) Void unauthorized adjustment.—Any adjustment made without the required finding, measurement, or publication shall be void.

(h) Report before adjustment.—Before any adjustment takes effect, the Department shall publish a report identifying the supply indicator, the measured results, the proposed adjustment, and the effective date.

SEC. 21. REPORTING, AUDITING, PUBLIC DASHBOARDS, AND ADMINISTRATIVE OVERSIGHT.

(a) Annual report required.—The City shall publish an annual report on:

(1) rent changes in covered units;

(2) capital-improvement pass-through use;

(3) operating-cost pass-through use;

(4) Affordable Housing Offset payments, underpayments, overpayments, and true-ups;

(5) displacement claims under sections 13, 14, and 15;

(6) adjudication timeliness under sections 5, 6, 12, 18, and 19; and

(7) supply outcomes under section 20.

(b) Public dashboard.—The City shall maintain a public dashboard containing nonconfidential aggregate data concerning the matters listed in subsection (a).

(c) Offset audit.—The finance department shall audit Offset claims and escrow flows regularly, using a risk-based or periodic audit schedule established by rule.

(d) Escrow audit.—The City or escrow agent shall maintain records of relocation-expense escrows and shall reconcile disbursements with verified owner-occupancy determinations and misrepresentation findings.

(e) Deadline compliance reporting.—Each annual report shall identify the number of matters decided within the applicable deadlines and the number of matters decided late.

(f) Privacy limitation.—Public reporting shall not disclose tenant personal data or other confidential records except as permitted by law and necessary for lawful enforcement.

(g) Supervisory certification.—The city manager or equivalent chief administrative officer shall certify annually to the legislative body whether the Department has complied with the reporting, auditing, and deadline requirements of this Act.

(h) Corrective action plan.—If a report or audit identifies material noncompliance, the Department shall publish a corrective action plan with deadlines and responsible officers.

SEC. 22. CIVIL REMEDIES; PENALTIES; FEE SHIFTING.

(a) Private and administrative remedies.—A tenant or owner injured by a violation of this Act may seek refunds, interest, damages, injunctions, declaratory relief, specific performance where authorized, and any other remedy authorized by law.

(b) Civil penalties.—Repeated violations and falsified documentation shall support civil penalties in an amount established by ordinance or by the maximum amount otherwise authorized by law.

(c) Attorney's fees.—Reasonable attorney's fees and costs may be awarded to a prevailing party where authorized by ordinance, court rule, or another applicable law.

(d) Refunds and interest.—Any amount collected in violation of this Act shall be refunded with interest at the statutory rate.

(e) Injunctive relief.—A court or hearing officer with lawful authority may issue injunctive relief to prevent further violation of this Act, including orders requiring lawful notice, lawful filing, reinstatement of protections, or correction of records.

(f) Proportionality.—Any remedy under this section shall be proportional to the violation and shall not include an unauthorized coercive displacement measure.

(g) No duplicative penalties.—The City shall not impose duplicative penalties for the same act unless expressly authorized by law.

(h) Allocation of penalties.—Collected penalties shall be allocated according to the City's finance rules and shall be reported in the annual report required by section 21.

SEC. 23. RULEMAKING.

(a) Rulemaking authority.—The Department, the finance department, the housing authority, and any other designated agency may adopt rules necessary to carry out this Act.

(b) Limits on rulemaking.—Rules shall be consistent with this Act and shall not:

(1) expand an exemption beyond the express terms of section 3;

(2) authorize retroactive catch-up barred by section 4;

(3) eliminate the eligibility lock established by section 6;

(4) reset the operating-cost baseline by discretion;

(5) convert the Affordable Housing Offset into a discretionary grant;

(6) weaken the automatic stay under section 15; or

(7) reduce tenant protections under sections 13, 14, 15, 16, 17, 18, or 19 except as expressly authorized by a later ordinance.

(c) Public notice.—Each proposed rule shall be published for public comment in accordance with applicable administrative procedure law.

(d) Forms and worksheets.—The Department shall promulgate standardized forms, calculation worksheets, notices, and evidentiary checklists for use under this Act.

(e) Emergency interim guidance.—The Department may issue interim guidance if necessary to implement this Act before final rules are adopted, provided that the guidance is consistent with this Act and is publicly posted.

SEC. 24. APPROPRIATIONS; FUNDING; ENFORCEMENT FLOOR.

(a) Dedicated appropriations.—The legislative body shall appropriate or otherwise provide sufficient funds to carry out the Affordable Housing Offset, administration, auditing, inspections, adjudication, and outreach required by this Act.

(b) Enforcement floor.—The City shall maintain a minimum dedicated enforcement appropriation floor at enactment and shall not reduce enforcement staffing below the floor threshold established in the annual budget enacted for the fiscal year in which this Act is adopted, except upon a finding of fiscal emergency adopted by ordinance.

(c) Offset fund.—The finance department shall establish a segregated account or comparable dedicated fund for Affordable Housing Offset payments and related true-ups.

(d) Insufficient collections.—If fee or credit collections fall below a defined annual threshold established by rule, credits for Supply License participants or other eligible adjustment mechanisms may be reduced automatically according to the published formula, but enforcement for rent-cap compliance, displacement compliance, and covenant compliance shall continue without interruption.

(e) Budget reconciliation report.—The City shall publish an annual, auditable reconciliation tying fee collections to enforcement expenditures, Offset payments, escrow flows, and compliance outcomes.

(f) Use of funds.—Moneys appropriated under this section shall be used only for the purposes authorized by this Act and may not be diverted except by later ordinance consistent with law.

SEC. 25. TRANSITION; IMPLEMENTATION TIMELINE.

(a) Initial publication.—Not later than 30 days after enactment, the Department shall publish the forms, calculation worksheets, notice templates, checklists, and public guidance necessary to implement this Act.

(b) Registry and intake.—Not later than 60 days after enactment, the Department shall establish the public registry, dashboard, and intake systems required by this Act.

(c) Filing commencement.—Not later than 90 days after enactment, the Department shall begin accepting Major Repair Plan filings, operating-cost filings, Affordable Housing Offset claims, owner-occupancy applications, and any other filings required by this Act.

(d) Offset payments.—Not later than 120 days after enactment, the City shall begin quarterly Offset payments for eligible claims.

(e) Rent cap effective date.—The prospective rent cap under section 4 shall apply beginning with the first rent cycle that starts after the Department publishes the CPI-U reference and calculation worksheet required by section 4(e), but not later than 180 days after enactment.

(f) Existing proceedings.—Any pending proceeding involving rent change, displacement, pass-through, Offset, or related relief shall be administered under the substantive and procedural rules of this Act to the extent lawful and practicable, except that no action already final under prior law shall be reopened solely by reason of this Act.

(g) Interim compliance.—Until final rules are adopted, the Department shall administer this Act using interim guidance consistent with the statutory text.

(h) Transition notice.—Within 45 days after enactment, the Department shall mail or electronically deliver notice of the new rights and duties to owners of covered properties and shall post tenant-facing notice in publicly accessible formats.

SEC. 26. RELATION TO STATE LAW; PREEMPTION SAVINGS; HOME-RULE CLAUSE.

(a) Relation to state law.—This Act shall be interpreted to operate within the City's lawful authority under home-rule, charter, state law, and applicable constitutional limits.

(b) Savings clause.—If any provision of state law is more protective of tenants or otherwise consistent with this Act, that provision shall remain in effect to the extent not preempted.

(c) Preemption intent.—It is the intent of the City Council that this Act operate to the fullest extent permitted by law.

(d) Severable consistency.—If any portion of this Act is construed to exceed the City's authority, the remaining portions shall continue in effect to the maximum extent permitted by law.

SEC. 27. SEVERABILITY.

If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SEC. 28. EFFECTIVE DATE.

(a) General effective date.—Except as otherwise provided in this Act, this Act shall take effect 30 days after the date of enactment.

(b) Delayed effective dates.—Sections 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19 shall take effect in accordance with the transition schedule in section 25.

(c) Rule deadlines.—Any rule required under this Act shall be adopted within 180 days after enactment, except where a shorter deadline is expressly stated.

(d) Continuing authority.—Nothing in this section shall be construed to delay the authority of the City to publish interim guidance, forms, or notices necessary to carry out this Act.

SEC. 29. SUNSET OR REVIEW.

(a) No general sunset.—This Act shall not sunset unless repealed or amended by later ordinance.

(b) Scheduled review.—The City Council shall review the operation of this Act not later than 7 years after the date on which section 4 first takes effect, using the reports required by section 21 and the supply indicator under section 20.

(c) Scope of review.—The review under subsection (b) shall assess rent stability, displacement, maintenance, Offset performance, adjudication timeliness, and rental supply.

(d) Permitted adjustments.—Any adjustment following the review shall be limited to the matters expressly authorized by this Act, including the pass-through limits and supply-based mechanisms under section 20, unless later ordinance expressly expands or narrows the law.

SEC. 30. GENERAL AUTHORIZATION; NO IMPLIED RIGHTS TO GREATER CHARGES.

(a) Limitation on charges.—No landlord may impose a rent increase, surcharge, fee, recovery, or charge in connection with a covered rental unit unless expressly authorized by this Act or another applicable law.

(b) No implied discretion.—No right to charge above the cap, above the approved pass-through, or above the lawful vacancy re-entry amount shall be implied from this Act.

(c) Construction against expansion.—Any ambiguity in a charge authorization shall be construed against expansion of the charge authority and in favor of prospective, documented, and verified administration.

(d) Preservation of lawful fees.—Nothing in this Act shall be construed to prohibit a fee or charge that is separately authorized by law and not inconsistent with this Act.

SEC. 31. RECORDS; CONFIDENTIALITY; ACCESS.

(a) Records required.—Owners and the City shall maintain the records necessary to administer this Act, including notices, filings, calculations, inspections, determinations, and payments.

(b) Retention period.—Records required under this Act shall be retained for the period established by rule, which period shall not be shorter than 4 years unless another law requires a longer period.

(c) Confidentiality.—Personal tenant data and sensitive financial records shall be kept confidential to the extent required by law.

(d) Access.—A party to a filing or proceeding under this Act shall have access to records necessary to contest or defend the filing, subject to redaction of confidential information not needed for the proceeding.

(e) Public records.—Aggregate, de-identified data shall be made public as required by section 21.

SEC. 32. NO WAIVER; NON-RETALIATION.

(a) No waiver.—Rights created by this Act may not be waived by lease, side letter, oral agreement, or other instrument except where this Act expressly permits a waiver.

(b) Retaliation prohibited.—A landlord may not retaliate against a tenant for asserting rights under this Act, filing a complaint, participating in a hearing, or providing evidence in a proceeding under this Act.

(c) Void retaliatory term.—Any lease term or agreement that purports to penalize a tenant for exercising rights under this Act shall be void and unenforceable.

SEC. 33. IMPLEMENTATION OFFICERS; RESPONSIBILITIES.

(a) Department responsibilities.—The Department shall administer coverage determinations, rent-cap notices, Major Repair Plan review, pass-through verification, Offset eligibility review, and public guidance.

(b) Finance department responsibilities.—The finance department shall administer the Offset fund, quarterly payments, interest calculations, and financial audits.

(c) Inspection responsibilities.—The building inspection or code enforcement department shall perform inspections required by this Act and shall provide written inspection records to the Department.

(d) Hearing office responsibilities.—The administrative hearing office shall adjudicate disputes under this Act in accordance with the deadlines and standards established by this Act.

(e) City attorney responsibilities.—The city attorney shall enforce this Act, seek civil penalties and injunctive relief where authorized, and advise on relation-to-law questions.

SEC. 34. FORMS OF SERVICE; ELECTRONIC NOTICE.

(a) Service methods.—Notices, filings, determinations, and appeals under this Act may be served electronically if the recipient has designated an electronic address or if electronic service is otherwise authorized by law.

(b) Required paper service.—If electronic service is not authorized or is not feasible, service shall be by paper delivery in the manner prescribed by rule.

(c) Proof of service.—Each filing or notice shall include proof of service in the form prescribed by the Department.

(d) Effective date of service.—The Department shall by rule establish when service is deemed effective for each service method, consistent with due process and this Act's deadlines.

SEC. 35. RULE OF PRIORITY FOR TIMING.

(a) Shorter statutory deadline controls.—If this Act sets a deadline that differs from another local administrative deadline, the shorter deadline established by this Act shall control for matters governed by this Act.

(b) Deferred action prohibited.—A duty imposed by this Act shall not be deferred beyond the statutory deadline except where this Act expressly authorizes an extension.

(c) Extension limit.—Any extension expressly authorized by this Act or by rule shall be limited to the minimum period necessary to correct a ministerial defect, complete an inspection, or allow response to a defect notice.

SEC. 36. SAVINGS FOR EXISTING LEASE RIGHTS AND TENANT REMEDIES.

(a) Existing rights preserved.—Nothing in this Act shall diminish tenant rights under a lease, habitability law, anti-retaliation law, fair housing law, or due-process law, except to the extent a provision of this Act expressly limits a particular charge, notice, or possession pathway.

(b) Additional remedies preserved.—Nothing in this Act shall bar a tenant or owner from seeking relief under another applicable law for conduct that also violates this Act.

(c) No exclusive remedy unless stated.—The remedies in this Act are cumulative unless this Act expressly states that a remedy is exclusive.

SEC. 37. INTERPRETIVE CLAUSE REGARDING PROSPECTIVE ADMINISTRATION.

(a) Prospective administration required.—All rent-cap calculations, pass-through charges, Offset determinations, displacement verifications, and related notices shall be administered prospectively and on the basis of the lawful status existing at the time of filing or notice, as applicable.

(b) No hidden re-rating.—No provision of this Act shall be construed to authorize hidden re-rating of prior months, years, or lease terms through future charges not expressly authorized by this Act.

(c) Calculation consistency.—The Department shall use a consistent published methodology from year to year except to the extent mechanical updates are required by this Act.

SEC. 38. EFFECT ON EXISTING ADMINISTRATIVE RULES.

(a) Supersession of inconsistent rules.—Any existing administrative rule, policy, bulletin, or guidance inconsistent with this Act is superseded to the extent of the inconsistency.

(b) Continuation of consistent rules.—Any existing administrative rule, policy, bulletin, or guidance consistent with this Act shall remain in effect until amended or repealed.

(c) Rule review.—Within 90 days after enactment, each agency with implementing authority shall review its existing rules and identify amendments necessary for conformity with this Act.

SEC. 39. PENALTIES FOR FALSE FILINGS.

(a) False filing offense.—A person who knowingly submits a false filing, certification, declaration, or record under this Act shall be subject to civil penalties, repayment, and any disqualification period established by rule or order.

(b) Materiality.—A false statement shall be actionable under this section only if material to eligibility, amount, timing, or status under this Act.

(c) Curable error.—A good-faith clerical or computational error corrected within the period allowed by rule shall not be treated as a false filing absent evidence of knowing falsity.

(d) Separate remedies preserved.—This section does not limit criminal, civil, or administrative remedies available under other law.

SEC. 40. MISCELLANEOUS ADMINISTRATIVE AUTHORITY.

(a) Standard forms.—The Department shall prescribe standard forms for coverage, notices, Major Repair Plans, pass-through filings, Offset claims, owner-occupancy applications, nuisance notices, appeals, and any other filing required under this Act.

(b) Calculation tools.—The Department shall publish calculation tools sufficient to permit an ordinary filer to reproduce the charge or payment amount determined under this Act.

(c) Training.—The Department and the hearing office shall provide training to staff and public-facing personnel regarding the rights and duties established by this Act.

(d) Interagency coordination.—The City shall coordinate among housing, finance, inspection, and legal offices to ensure timely implementation and consistent decisions.

(e) No inference from silence.—No omission in a form or guidance document shall create a substantive right or obligation not stated in this Act.

SEC. 41. LEGISLATIVE FINDING OF ADMINISTRATIVE NEED.

The City Council finds that effective implementation of this Act requires a single, documented, and timely administrative pathway for rent-cap calculations, pass-through determinations, Offset payments, displacement verification, and reporting, and directs all implementing agencies to adopt procedures that minimize delay, duplication, and discretionary variance.

SEC. 42. REPEALER.

To the extent any ordinance, rule, or policy of the City is inconsistent with this Act, that ordinance, rule, or policy is repealed or superseded to the extent of the inconsistency on the effective date applicable to the relevant section of this Act.

SEC. 43. EMERGENCY CLAUSE.

The City Council declares that the immediate preservation of housing stability, tenant continuity, and rental housing supply requires that this Act take effect as provided in section 28.

SEC. 44. AUTHORIZATION FOR CLERICAL AND TECHNICAL CORRECTIONS.

The Clerk or other designated legislative staff may make clerical, typographical, numbering, cross-reference, and formatting corrections to conform this Act to the intent of the City Council, provided that no substantive provision is altered.

SEC. 45. EFFECT OF HEADINGS.

Section headings are inserted for convenience of reference only and shall not affect the construction or meaning of any provision of this Act.

SEC. 46. BINDING NATURE.

This Act shall be binding on all departments, officers, agents, owners, landlords, tenants, and persons acting under color of City authority to the extent provided by law.

SEC. 47. NO IMPLIED PRIVATE REGULATORY FEES.

No department or officer shall impose a fee for a filing, review, or determination under this Act except as expressly authorized by ordinance or by another applicable law.

SEC. 48. IMPLEMENTATION AUDIT.

Within 1 year after the effective date of section 4, and annually thereafter, the City Auditor or equivalent independent auditor shall review implementation of this Act, including compliance with deadlines, adequacy of records, Offset calculations, and the operation of the supply indicator, and shall issue a public report containing findings and recommendations.

SEC. 49. AUTHORIZATION OF ADMINISTRATIVE SETOFF.

To the extent permitted by law, the finance department may apply administrative setoff only for amounts expressly authorized under this Act and only after written notice, an opportunity to contest, and a final determination, except that no setoff may be used to evade the cap, the automatic stay, or the tenant's right to remain.

SEC. 50. NO IMPLIED DISPLACEMENT AUTHORITY.

No provision of this Act shall be construed to authorize displacement except as expressly provided in sections 13, 14, and 15, and any disallowed displacement shall be void and subject to remedy under this Act and other applicable law.

SEC. 51. NO IMPLIED WAIVER OF DUE PROCESS.

Nothing in this Act shall be construed to waive any constitutional or statutory due-process right of any tenant, owner, or other person subject to this Act.

SEC. 52. EFFECTIVE ADMINISTRATION DURING TRANSITION.

During the transition period before all rules and forms are fully in place, any agency action under this Act shall use the least restrictive administratively feasible procedure consistent with this Act, shall provide written notice of any missing form or record, and shall not deny a statutory protection solely because a form has not yet been updated if the filer has substantially complied using the interim form prescribed by the Department.

SEC. 53. REFERENCE TO CITY MANAGER.

Whenever this Act requires reporting to, certification by, or corrective action by the city manager, equivalent chief administrative officer, or comparable official, the requirement shall be satisfied by the official designated by the City's charter or ordinance as the principal administrative officer.

SEC. 54. AUTHORITY TO ASSIGN IMPLEMENTING FUNCTIONS.

The City may assign implementing functions among departments by ordinance, executive order, or administrative directive, provided that the assignment does not alter the statutory rights, deadlines, or standards established by this Act.

SEC. 55. CONFORMING CONSTRUCTION OF RECORDS AND EVIDENCE.

All documents, inspections, affidavits, calculations, and determinations under this Act shall be construed as administrative records subject to the standards of this Act, and not as open-ended discretionary valuations, unless this Act expressly authorizes valuation.

SEC. 56. FINAL DECLARATION.

The City Council declares that the provisions of this Act are intended to operate together as a unified statutory scheme governing covered rental housing, rent increases, landlord recoupment, Offset payments, displacement limitations, and administrative enforcement.

SEC. 57. ENACTMENT.

This Act is enacted as an ordinance of the City of __________________________ and shall be entered in the official code of the City upon adoption.

SEC. 58. APPROVAL OF IMPLEMENTING BUDGET.

The budget office shall prepare, not later than the first budget cycle following enactment, a proposed appropriation sufficient to implement this Act, including personnel, information systems, inspections, audits, outreach, and Offset payments.

SEC. 59. OPERATIVE DATE FOR SUPPLY ADJUSTMENT REVIEW.

The review and potential adjustment authority under section 20 shall first become available 7 years after the effective date of section 4, and not before.

SEC. 60. MUNICIPAL INTERPRETIVE RULE.

This Act shall be interpreted to maximize lawful tenant stability, preserve predictability for landlords and lenders, maintain rental housing supply, and ensure that all entitlements and limitations are administered by objective criteria and documented evidence.

Analytical Comparison

The generated bill combines tenant protection with supply-preservation duties, monitoring, offsets, and anti-withdrawal safeguards. It addresses the empirical weakness of broad rent control by treating housing supply as part of the legal design.

9. Case Analysis

Ireland Plastic Bag Environmental Levy

Case type: historically effective practice.

Historical Legal Regime

Ireland introduced a national environmental levy on plastic shopping bags collected at the point of sale. Retailers incorporated the levy into the price of plastic bags, recorded and remitted receipts, and operated under a national public-communication and monitoring framework. The regime preserved access to bags while changing consumer behavior through a simple, visible price signal.

Normative Request

Design a national law to rapidly reduce single-use plastic bag consumption and visible plastic litter while preserving consumer access to bags when needed and keeping administration simple for retailers.

Empirical Evidence

Irish government and OECD materials report that the levy reduced plastic bag use by more than 90% shortly after introduction, with plastic bags' share of litter falling sharply.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: A point-of-sale levy on plastic bags, retailer collection and remittance duties, public communication, earmarked or transparent environmental use of proceeds, and monitoring of bag use and litter outcomes.

Generated Bill

A BILL

To establish a national single-use plastic bag reduction and access continuity framework; to require a uniform checkout selection rule and minimum end-user price floor for single-use plastic bags; to establish protected-access Bag Need Codes and temporary offline continuity modes; to provide producer-funded cleanup, transition buyback, and bounded rate adjustments; to require monthly litter proxy monitoring and automatic escalation; to provide for rulemaking, reporting, audit, enforcement, preemption, severability, transition, and effective dates; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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SEC. 1. SHORT TITLE AND PURPOSE.

(a) Short title.—This Act may be cited as the “National Single-Use Plastic Bag Reduction and Access Continuity Act”.

(b) Purpose.—The purposes of this Act are—

(1) to rapidly reduce single-use plastic bag consumption;

(2) to reduce visible plastic litter;

(3) to preserve access to bags for persons who need bags under protected-access procedures established by this Act;

(4) to keep retailer administration simple by establishing mechanical, non-discretionary checkout and logging obligations; and

(5) to require national uniformity in the checkout rule, protected-access continuity, producer financing, and monitoring standards.

(c) Construction.—This Act shall be construed to implement the purposes described in subsection (b) through standardized, auditable, machine-readable, and non-discretionary procedures.

SEC. 2. FINDINGS AND NATIONAL STANDARDS.

(a) Findings.—Congress finds that—

(1) single-use plastic bags contribute to visible litter in public spaces, drainage systems, waterways, and other shared environments;

(2) checkout default rules materially reduce routine consumption of single-use plastic bags;

(3) uniform national checkout and pricing standards reduce compliance complexity for retailers operating across jurisdictions;

(4) access protections for persons who need bags are best administered through validated codes and temporary continuity mechanisms, not store-by-store discretion;

(5) producer-funded cleanup and mitigation can support litter reduction and transition stability without requiring retailer-level judgment;

(6) monthly monitoring of litter proxy measures permits timely correction when regional outcomes lag;

(7) rules that require store employees to make discretionary eligibility determinations increase administrative burden and compliance inconsistency; and

(8) a national standard is necessary to preserve uniform retailer administration and comparability of outcome metrics across regions.

(b) National standards.—This Act establishes national minimum standards for—

(1) bag checkout;

(2) code continuity;

(3) contribution financing;

(4) litter proxy monitoring;

(5) reporting and audit;

(6) transition inventory buyback; and

(7) enforcement and safe-harbor procedures.

(c) Preemption of inconsistent local rules.—To the extent necessary to preserve uniform retailer administration, national metric comparability, and protected-access continuity, this Act preempts any State, territorial, tribal, regional, or local law, rule, regulation, order, or administrative practice that is inconsistent with this Act or any regulation issued under this Act.

(d) Preservation of supplemental local measures.—A State, territorial, tribal, regional, or local government may adopt or enforce a supplemental measure that is not inconsistent with this Act or any regulation issued under this Act.

SEC. 3. DEFINITIONS.

(a) In general.—In this Act:

(1) APPROVED BAG SKU LIST.—The term “approved bag SKU list” means the nationally published list of single-use plastic bag stock keeping units and permitted product identifiers that may be treated as compliant regulated carryout bags under this Act.

(2) AFFIRMATIVE SELECTION.—The term “affirmative selection” means an active customer action at the point of sale, including a tap, click, button selection, on-screen choice, or other comparable positive input, by which the customer selects the single-use plastic bag option before a retailer may offer or dispense a single-use plastic bag.

(3) ALLOWED CARRY FORMAT.—The term “allowed carry format” means a product configuration, packaging format, labeling configuration, or checkout presentation that is expressly permitted by regulation under this Act.

(4) BAG NEED CODE.—The term “Bag Need Code” means a validated code, credential, or token issued by a municipality under section 8 that authorizes protected-access bag redemption in accordance with this Act and implementing regulations.

(5) BAG-USE VOLUME INDEX.—The term “bag-use volume index” means the independently measured national metric, published by the lead agency under section 14, that reflects the volume of regulated single-use plastic bags placed on the market or dispensed, as defined by regulation for purposes of quarterly rate adjustment.

(6) CODE REDDEMPTION FAILURE RATE.—The term “code redemption failure rate” means, for a given retailer, the percentage of Bag Need Code redemption attempts that are not validated as successful under the retailer’s point-of-sale system during the measurement period established by regulation.

(7) COMPLIANCE CONTRIBUTION.—The term “compliance contribution” means the per-bag upstream payment imposed under section 13 on producers and importers of covered products.

(8) COVERED PRODUCT.—The term “covered product” means a single-use plastic bag, or such other product identified by regulation as functionally equivalent for purposes of contribution, tracking, or anti-substitution controls, that is placed on the market in the jurisdiction subject to this Act.

(9) DEDICATED OFFLINE ACCESS MODE.—The term “dedicated offline access mode” means the temporary continuity pathway required under section 9, consisting of either an Access Card QR or a same-day desk-generated provisional code, used when online Bag Need Code validation is unavailable.

(10) EMERGENCY ISSUANCE SLA.—The term “emergency issuance SLA” means the 24-hour service-level obligation imposed on a municipality under section 10 for appeals and urgent eligibility corrections.

(11) EXPIRATION PERIOD.—The term “expiration period” means the 72-hour period after issuance or activation of a temporary offline access mode during which the mode remains valid, unless otherwise provided for a narrower period by regulation.

(12) INTERIM PROVISIONAL CODE.—The term “interim provisional code” means a temporary code issued by a municipality under section 10 that counts toward compliance while verification is pending.

(13) LEAD AGENCY.—The term “lead agency” means the Federal agency designated by the President to administer this Act.

(14) LITTER PROXY.—The term “litter proxy” means a standardized, quantified indicator of visible plastic litter in public space, including measures derived from litter transects, bin overflow counts, drain overflow counts, or other standardized methods authorized by regulation.

(15) MANUAL OVERRIDE.—The term “manual override” means any store-level action by a retailer or employee that bypasses the required point-of-sale selection, validation, logging, or pricing rules established by this Act, other than an emergency mode expressly authorized by regulation.

(16) MINIMUM END-USER PRICE FLOOR.—The term “minimum end-user price floor” means the lowest lawful price that may be charged to a customer for a single-use plastic bag under section 6.

(17) OFFLINE ACCESS MODE.—The term “offline access mode” means the temporary use of a dedicated offline access mode during a municipal system outage or retailer code-redemption failure.

(18) POINT OF SALE.—The term “point of sale” means the physical or electronic transaction interface through which a retailer tenders goods or services to a customer and through which bag selection, pricing, validation, and logging occur.

(19) PROVISIONAL CODE.—The term “provisional code” means a code issued temporarily by a municipality or its authorized agent, including a same-day desk-generated provisional code and an interim provisional code, that may be used during temporary continuity or pending verification.

(20) PROTECTED-ACCESS CHANNEL.—The term “protected-access channel” means the system of Bag Need Codes, offline access mode, emergency issuance, and related continuity procedures established under sections 8 through 12.

(21) PUBLIC-SPACE LITTER PROXY.—The term “public-space litter proxy” means the monitored regional outcome metric under section 16, derived from litter transects, bin overflow counts, drain overflow counts, or other standardized measures authorized by regulation.

(22) RATE CORRIDOR.—The term “rate corridor” means the quarterly bounded range within which the compliance contribution may be set or adjusted under section 14.

(23) REDEMPTION FAILURE.—The term “redemption failure” means the inability of a retailer’s point-of-sale system to validate a Bag Need Code, provisional code, or offline access mode for a transaction otherwise eligible under this Act.

(24) REGIONAL TARGET.—The term “regional target” means the litter-reduction benchmark for a monitored region established under section 16.

(25) REUSABLE BAG.—The term “reusable bag” means a bag intended for repeated consumer use and not classified by regulation as a single-use plastic bag.

(26) RETAILER.—The term “retailer” means a person or entity that sells goods to consumers through a point-of-sale system and dispenses or offers carryout bags in covered transactions.

(27) SINGLE-USE PLASTIC BAG.—The term “single-use plastic bag” means a bag made wholly or predominantly of plastic material, whether or not mixed with other materials, that is intended primarily for one-time consumer carryout use and that is dispensed at or in connection with a retail transaction, as further defined by regulation.

(28) STATE.—The term “State” includes the several States, the District of Columbia, and each territory or possession of the United States, unless the context requires otherwise.

(29) SUBMIT CODE ATTEMPT LOGGING.—The term “submit code attempt logging” means the point-of-sale function required under section 11 to record each code redemption attempt and its result.

(30) SUBSTANTIAL OUTAGE.—The term “substantial outage” means a failure, interruption, latency condition, or service degradation of a municipal validation system or retailer code-redemption system that prevents ordinary online Bag Need Code validation.

(31) SUBSTITUTION AVOIDANCE PRODUCT.—The term “substitution avoidance product” means a product, fee structure, checkout configuration, or promotional arrangement that is designed or operated to preserve consumer avoidance of a single-use plastic bag while reintroducing high-litter carry practices, as determined by regulation consistent with section 7.

(32) TEMPORARY CONTINUITY ACCESS.—The term “temporary continuity access” means access provided through an offline access mode, provisional code, or similar continuity mechanism under sections 9 and 10.

(33) VALIDATED.—The term “validated” means confirmed by the municipal system, or by an authorized offline continuity mechanism, to be currently effective for the transaction at issue.

(34) WHOLLY OR PREDOMINANTLY OF PLASTIC.—The term “wholly or predominantly of plastic” means containing plastic material in the amount or composition specified by regulation.

(b) Regulatory definitions.—The lead agency shall define by regulation—

(1) the approved bag SKU list;

(2) the allowed carry formats;

(3) the bag-use volume index methodology;

(4) the public-space litter proxy methodology;

(5) the redemption failure rate methodology;

(6) the rate corridor parameters; and

(7) any additional term necessary to carry out this Act.

(c) Precision requirement.—Each definition under this section shall be drafted, interpreted, and applied with sufficient precision to permit automated compliance, audit, and enforcement.

SEC. 4. REGULATED PERSONS AND COVERED TRANSACTIONS.

(a) Retailers.—Each retailer shall comply with this Act with respect to each covered transaction, including the checkout rule, pricing rule, logging obligations, safe-harbor conditions, and any emergency or offline continuity requirement.

(b) Producers, importers, and wholesalers.—Each producer, importer, and wholesaler of a covered product shall comply with this Act with respect to contribution, reporting, inventory buyback participation where applicable, anti-substitution controls, and recordkeeping.

(c) Municipalities.—Each municipality that participates in the protected-access channel shall comply with issuance, verification, emergency issuance, capacity-adjustment, and records obligations under this Act.

(d) Covered transactions.—This Act applies to the sale, tender, dispensation, or provision of a single-use plastic bag in connection with a retail transaction, whether charged separately or embedded in a broader charge structure, unless otherwise exempted by regulation.

(e) No discretionary qualification determinations.—No retailer, retailer employee, payment processor, or point-of-sale vendor acting on behalf of a retailer shall determine by personal judgment whether a customer qualifies for a single-use plastic bag outside the objective system rules established by this Act.

(f) Registration and contact information.—Each covered person shall maintain current registration, contact, and system information in the form required by regulation for purposes of notices, audits, reporting, and compliance communications.

SEC. 5. NATIONAL CHECKOUT RULE.

(a) Affirmative-selection requirement.—A retailer shall offer a single-use plastic bag only if the customer affirmatively selects the single-use option at the point of sale.

(b) No default dispensation.—A retailer shall not automatically provide a single-use plastic bag as a default checkout item.

(c) No store discretion.—A retailer shall not use store discretion to determine whether a customer qualifies for a single-use plastic bag outside the system rules of this Act.

(d) Prompt requirement.—Each point-of-sale system used by a retailer shall present a standardized affirmative-selection prompt before a single-use plastic bag may be dispensed or charged.

(e) Timing.—The affirmative-selection prompt shall be presented before completion of the transaction and before dispensation of the bag, except during a documented emergency mode authorized under sections 9, 10, or 19.

(f) No questioning requirement.—No retailer employee shall be required to ask a customer to explain, justify, or document the customer’s reason for selecting or declining a single-use plastic bag.

(g) System specification.—The lead agency shall publish the standardized prompt specification for point-of-sale implementation, including text, order of display, and validation sequence.

(h) Transaction integrity.—The retailer shall retain the transaction record associated with the affirmative selection for audit and enforcement under this Act.

SEC. 6. MINIMUM END-USER PRICE FLOOR.

(a) Requirement.—A retailer shall not sell a single-use plastic bag below the nationally fixed minimum end-user price floor.

(b) Publication.—The lead agency shall set and publish the minimum end-user price floor by regulation.

(c) Uniform application.—A retailer shall apply the minimum end-user price floor uniformly within the scope of this Act.

(d) No waiver by local practice.—The price floor shall not be waived, reduced, refunded, offset, or otherwise avoided by local practice, store policy, rebate, coupon, or equivalent mechanism except as expressly authorized by regulation for voids, returns, or error correction.

(e) Price display.—The retailer shall display the applicable price floor in the point-of-sale interface before completion of the transaction.

(f) Audit logs.—A retailer shall maintain transaction logs sufficient to demonstrate application of the minimum end-user price floor.

(g) Adjustments.—Any change in the minimum end-user price floor shall be made through regulation and shall be effective only on the date specified in the regulation.

SEC. 7. APPROVED BAG SKUS AND ALLOWED CARRY FORMATS.

(a) Approved products.—Only bag products appearing on the approved bag SKU list shall be treated as compliant regulated carryout bags under this Act.

(b) Publication.—The lead agency shall publish the approved bag SKU list and allowed carry formats nationally.

(c) Product identifiers.—The approved bag SKU list shall include product identifiers, material criteria, packaging criteria, and any other criteria necessary to distinguish compliant products from prohibited products.

(d) Anti-substitution prohibition.—A person shall not market, sell, offer, distribute, or facilitate a substitution avoidance product.

(e) Ordinary reusable bags.—Nothing in this section shall be construed to prohibit the sale of ordinary reusable bags that are separately priced and not structured to evade this Act.

(f) Update authority.—The lead agency may update the approved bag SKU list and allowed carry formats by regulation on the schedule established under section 22.

(g) Removal authority.—The lead agency may remove a product from the approved bag SKU list if the product is found to be noncompliant, materially deceptive, or functionally inconsistent with this Act.

(h) National uniformity.—The approved bag SKU list and allowed carry formats shall be applied uniformly across all covered jurisdictions.

SEC. 8. MUNICIPAL BAG NEED CODE PROGRAM.

(a) Issuance and maintenance.—A municipality shall issue and maintain validated Bag Need Codes to eligible residents or households on a verifiable basis.

(b) Validation system.—A municipality shall make its Bag Need Code validation system available to retailers and eligible persons in accordance with published technical standards.

(c) Eligibility records.—A municipality shall maintain current eligibility records and code status records.

(d) Minimum necessary data.—A municipality shall collect, use, retain, and disclose only the minimum necessary data required to issue, validate, renew, revoke, replace, and audit Bag Need Codes, subject to applicable privacy law.

(e) Renewal and replacement.—A municipality shall provide procedures for code renewal, replacement, revocation, restoration, and correction.

(f) Public access instructions.—A municipality shall publish instructions for code application, validation, replacement, appeal, and emergency continuity access.

(g) Delegation.—A municipality may delegate administrative processing functions to another governmental or contracted entity if the municipality retains responsibility for compliance with this Act and regulations.

(h) No store-level eligibility adjudication.—A retailer shall not determine eligibility under this section except by validating a Bag Need Code, provisional code, or offline access mode issued or authorized under this Act.

SEC. 9. PROTECTED-ACCESS CONTINUITY DURING OUTAGE OR REDEMPTION FAILURE.

(a) Mandatory acceptance of offline access mode.—During any substantial outage of a municipal validation system or retailer code-redemption failure, the retailer shall accept an offline access mode.

(b) Forms of offline access mode.—The offline access mode shall include either—

(1) a static Access Card QR printed on the customer's municipal eligibility notice; or

(2) a same-day desk-generated provisional code.

(c) Expiration.—An offline access mode shall expire after 72 hours and shall not be extended beyond that period except by the issuance of a new code or other continuity mechanism authorized under this Act.

(d) Transaction treatment.—A retailer shall process a valid offline access mode as an eligible protected-access transaction for purposes of dispensation, logging, and compliance.

(e) No denial based on system failure.—A retailer shall not deny a bag solely because the municipal validation system or retailer code-redemption system is unavailable at the moment of purchase.

(f) Recordkeeping.—The retailer shall record the offline access transaction in its ordinary sales and compliance logs, including the mode used and the time of use.

(g) Municipal notice forms.—The municipality shall issue, in advance, the eligibility notice format and Access Card QR specifications necessary for implementation under this section.

(h) Rule of construction.—Nothing in this section shall be construed to require a retailer to dispense bags without any validation mechanism when a valid offline access mode is not presented.

SEC. 10. EMERGENCY ISSUANCE SERVICE-LEVEL AGREEMENT.

(a) Emergency issuance SLA.—A municipality shall maintain an emergency issuance SLA of 24 hours for appeals and urgent eligibility corrections.

(b) Interim provisional code.—A municipality shall issue an interim provisional code that counts toward compliance while verification is pending.

(c) No administrative denial by delay.—A municipality shall not allow administrative delay to deny access when a person has followed the published appeal or correction process.

(d) Appeal pathway.—Each municipality shall maintain a published appeal and urgent correction pathway that is capable of receiving submissions by electronic means and, if required by regulation, by alternative means.

(e) Service clock.—The municipality shall measure the emergency issuance SLA from the time of complete submission under the published process.

(f) Documentation.—The municipality shall document the submission time, action time, and resolution time for each urgent appeal or correction case.

(g) Narrow validation hold.—If a municipality requires additional verification, the municipality shall issue an interim provisional code unless the person is shown by documented fraud findings, under a process established by regulation, to be ineligible for any protected-access code.

(h) Retained validity during review.—A retailer shall honor an interim provisional code during the verification pending period set by regulation.

SEC. 11. RETAILER POINT-OF-SALE LOGGING.

(a) Logging function required.—Retailer point-of-sale systems shall provide a submit code attempt logging function.

(b) Required log entries.—Retailers shall log each code redemption attempt, each failure state, and each offline-mode event required by this Act.

(c) Distinct log categories.—Retailer logs shall distinguish validated redemption, provisional redemption, failed redemption, and expired offline use.

(d) Retention period.—A retailer shall retain log records for the period established by regulation, which shall be sufficient to permit audit, inspection, and enforcement under this Act.

(e) Minimum data fields.—The lead agency shall publish the minimum data fields required for logs, including time, location, product identifier, validation status, and transaction outcome.

(f) Standard format.—A retailer shall make logs available for inspection in the standardized electronic format established by regulation.

(g) Vendor support.—A point-of-sale vendor that provides systems subject to this section shall support implementation of the logging function in accordance with technical standards issued under section 22.

(h) Tamper resistance.—The point-of-sale logging function shall preserve the integrity of the record against ordinary user alteration, except as authorized for correction of clerical error under regulation.

SEC. 12. CAPACITY ESCALATION FOR BOTTLENECKS.

(a) Threshold trigger.—If a retailer’s redemption-failure rate exceeds 2 percent for 2 consecutive weeks, the municipality shall auto-increase issuance capacity within 30 days.

(b) Municipal duty to identify cause.—Upon the trigger in subsection (a), the municipality shall identify and correct the cause of the bottleneck without waiting for complaint accumulation.

(c) Capacity expansion procedures.—Each municipality shall maintain procedures for capacity expansion, staffing adjustment, system scaling, and service restoration as needed to satisfy this section.

(d) Methodology.—The lead agency shall specify the methodology for calculating the redemption-failure rate, the measurement interval, and the documentation required to establish that the threshold has been met.

(e) Reporting.—A municipality subject to subsection (a) shall report the threshold breach, the cause determination, the corrective action plan, and the completion date to the lead agency.

(f) No reduction of existing validity.—Capacity escalation under this section shall not reduce or invalidate already-issued codes.

(g) Temporary service safeguards.—Corrective action under this section shall preserve access continuity while the underlying cause is repaired.

SEC. 13. PRODUCER AND IMPORTER COMPLIANCE CONTRIBUTION.

(a) Contribution required.—Producers and importers shall pay a fixed per-bag compliance contribution for covered products placed on the market.

(b) Use of funds.—The compliance contribution shall fund cleanup, interception, administration, access continuity support, transition buyback, monitoring support, audit support, and other purposes authorized by this Act.

(c) Collection mechanism.—The compliance contribution shall be collected through the mechanism established by regulation.

(d) Liability allocation.—The compliance contribution shall attach to the person placing the covered product on the market in the jurisdiction, as defined by regulation, and shall not depend on a retailer’s discretionary pass-through practice.

(e) Records.—Each producer and importer shall maintain records of production, importation, shipment, placement on the market, and compliance contribution payment as required by regulation.

(f) Audit authority.—The lead agency or audit authority may examine records under this section to verify liability, payment, and classification.

(g) Delinquency.—Nonpayment or underpayment shall create an administrative debt, and the lead agency may assess interest, administrative penalties, or other remedies authorized by law and regulation.

(h) Coordination.—The lead agency may coordinate collection under this section with other lawful collection systems established by federal regulation.

SEC. 14. QUARTERLY RATE CORRIDOR.

(a) Quarterly published rate corridor.—The contribution rate shall follow a published quarterly rate corridor tied to the independently measured national bag-use volume index.

(b) Corridor bounds.—The corridor shall have pre-parameterized upper and lower bounds established by regulation.

(c) Maximum frequency of change.—The corridor shall change at most once per quarter.

(d) Measurement basis.—The corridor shall be based on the bag-use volume index and not on retrospective price pass-through or any other backward-looking charge-recovery estimate unless expressly authorized by regulation for clerical correction.

(e) Publication.—Before the start of each applicable quarter, the lead agency shall publish the applicable rate corridor and the resulting contribution rate in machine-readable form.

(f) Certification.—The independent statistical or environmental measurement authority designated under section 20 shall certify the bag-use volume index used for the rate corridor determination.

(g) Error correction.—The lead agency may correct mathematical, clerical, or publication errors in the corridor record, provided that any correction is documented and published.

(h) Public record.—The rate-setting record shall be public and auditable, subject to lawful redaction of confidential business information if permitted by regulation.

SEC. 15. TRANSITION TAKE-BACK AND MERCHANT BUYBACK.

(a) Transition trigger.—When national unit volumes fall by more than the threshold percentage established by regulation over a 6-month period, producers shall fund take-back of retailer-held compliant inventory for a limited period.

(b) Limited period.—The take-back or merchant buyback under subsection (a) shall remain open only for the period established by regulation.

(c) Reference price.—The take-back or merchant buyback shall use an audit-based reference price set under regulation.

(d) Program requirement.—Producers shall maintain a transition-window buyback program and participating retailer process.

(e) Claim documentation.—A retailer seeking payment under this section shall document eligible inventory and submit a claim in the form and manner prescribed by regulation.

(f) Eligibility.—Only retailer-held compliant inventory described in regulation shall be eligible for the buyback program.

(g) No demand preservation guarantee.—Nothing in this section shall be construed to require continuation of excess inventory levels after the transition window closes.

(h) Audit authority.—The audit authority may inspect inventory documentation, payment records, shipment records, and claim support materials relevant to this section.

SEC. 16. MONTHLY LITTER PROXY MONITORING.

(a) Monthly monitoring required.—Regions shall undergo monthly public-space litter proxy monitoring using standardized litter transects and bin/drain overflow counts.

(b) Regional metric.—The monitoring authority shall produce a monthly regional metric for each monitored region.

(c) Publication.—The metric shall be published in a timely and machine-readable manner.

(d) Methods.—The independent measurement authority shall publish sampling routes, methods, confidence parameters, and other technical requirements for monitoring under this section.

(e) Cooperation.—Each covered region shall cooperate with lawful access requests necessary to conduct monitoring under this section.

(f) Standardization.—Monitoring methods shall be standardized to permit comparison across regions and across time.

(g) Public record.—The published metric and underlying methodology shall be maintained in a public record, subject to lawful redaction of site-sensitive details if required by regulation.

(h) Use in escalation.—The monthly regional metric shall be the basis for regional target comparison and escalation under section 17.

SEC. 17. AUTOMATIC ESCALATION LADDER.

(a) Trigger.—If any region misses its litter-reduction target by more than 10 percent for 2 consecutive monthly checks, an automatic escalation ladder shall begin within 60 days.

(b) First escalation step.—The first escalation step shall increase municipal cleanup and interception capacity using the producer-funded budget.

(c) Second escalation step.—The second escalation step shall tighten anti-substitution rules at the point of sale.

(d) Third escalation step.—The third escalation step may tighten the minimum end-user price floor only after code-access stability is verified under criteria established by regulation.

(e) Escalation notice.—The responsible authority shall issue a public corrective-action notice when the trigger in subsection (a) is met.

(f) Deadline.—Each escalation step shall be implemented within the deadline established by regulation, which shall be consistent with the 60-day commencement requirement in subsection (a).

(g) Stability verification.—For purposes of subsection (d), code-access stability shall be determined based on the redemption-failure rate, outage frequency, emergency issuance performance, and other criteria published by regulation.

(h) Preservation of access.—An escalation under this section shall not reduce access through validated Bag Need Codes or temporary continuity access before the stability criteria in subsection (g) are satisfied.

SEC. 18. ANTI-GAMING AND ANTI-SUBSTITUTION CONTROLS.

(a) Anomaly detection required.—Redemption audits shall use anomaly detection for code redemption spikes by outlet and category.

(b) Threshold action.—If anomalies exceed the threshold established by regulation, the municipality shall rate-limit suspicious code issuance categories and require additional verification modes for future redemptions.

(c) Existing codes preserved.—Already-issued codes shall not be disrupted solely because a later anomaly is detected.

(d) False positive correction.—The municipality shall maintain a corrected-code process for false positives, labeling errors, and system errors.

(e) Additional verification modes.—Any additional verification mode required under this section shall be published in advance by regulation and shall not require store-level discretion outside the published rules.

(f) Anti-substitution ban.—A person shall not introduce, market, distribute, or sell a substitution avoidance product.

(g) Approved list controls.—The lead agency shall publish the approved bag SKU list and allowed carry formats nationally and shall update those lists as needed to prevent evasion of this Act.

(h) Audit trail.—The municipality shall log anomaly findings, rate-limit actions, verification-mode changes, and corrections for audit and public accountability.

SEC. 19. RETAILER SAFE-HARBOR AND LIABILITY LIMITS.

(a) Safe-harbor.—A retailer shall be shielded from liability if the retailer—

(1) uses the point-of-sale selection rule established under section 5;

(2) executes only the allowed offline or temporary modes authorized by this Act; and

(3) redeems only validated codes, including validated offline access modes and provisional codes.

(b) Manual overrides prohibited.—Manual overrides are prohibited except in defined emergency modes set by regulation.

(c) Emergency modes.—Any emergency mode under this section shall be narrowly defined, time-limited, and documented by regulation.

(d) No penalty for customer dispute if compliant.—A retailer shall not be penalized for a customer-based dispute when the retailer followed the required system rules of this Act.

(e) Burden of production.—A retailer claiming safe-harbor shall produce the records required by section 11 and any additional records specified by regulation.

(f) Exclusion for intentional misconduct.—Safe-harbor under this section shall not apply to intentional fraud, willful undercharging, deliberate failure to log required events, or knowing use of unauthorized manual overrides.

(g) Notice of compliance posture.—The lead agency shall publish safe-harbor criteria in machine-readable form for retailer use.

SEC. 20. ADMINISTRATION, REPORTING, AND AUDIT.

(a) Lead agency duties.—The lead agency shall collect retailer, municipality, and producer reports on a recurring schedule established by regulation.

(b) Required reports.—Covered persons shall submit the reports required by regulation concerning logs, contributions, inventories, issuance activity, and monitoring results.

(c) Audit authority.—The audit authority shall conduct periodic audits of compliance data, logs, and payments.

(d) Reporting forms.—The lead agency shall publish reporting forms and electronic interfaces for use by covered persons.

(e) Audit methods.—Audits shall be risk-based and may include document requests, system checks, field verification, sampling reviews, and reconciliation of records.

(f) Confidentiality.—Reporting and audit data shall be handled in accordance with applicable confidentiality law and regulation, while preserving public transparency for aggregate outcomes and enforcement statistics.

(g) Public summaries.—The lead agency shall publish periodic aggregate summaries of compliance, enforcement, monitoring, rate changes, and access performance.

(h) False reports and tampering.—False reporting, concealment, tampering, destruction of required records, or obstruction of an audit shall be a violation of this Act.

SEC. 21. PENALTIES AND CORRECTIVE ORDERS.

(a) General authority.—The lead agency shall impose civil penalties, corrective orders, restitution, reimbursement, and related remedies as authorized by regulation for violations of this Act.

(b) Distinct schedules.—Penalty schedules shall distinguish between—

(1) retailer workflow violations;

(2) municipal continuity failures; and

(3) producer payment, reporting, or buyback violations.

(c) Willful or repeated violations.—Repeated or willful violations may trigger enhanced penalties.

(d) Notice and response.—Except as otherwise provided by regulation for urgent injunctive relief or emergency correction, the lead agency shall provide notice, opportunity to respond, and a compliance remedy period before imposing a final penalty.

(e) Corrective order content.—A corrective order shall specify the action required, the deadline for completion, the evidence required to demonstrate completion, and any interim restrictions necessary to prevent continuing violation.

(f) Proportionality.—Any penalty or corrective order imposed under this section shall be proportionate to the nature, duration, and seriousness of the violation.

(g) Collection of penalties.—Unpaid penalties and related monetary obligations shall be collectible as administrative debts or through other lawful collection means.

(h) Public enforcement statistics.—The lead agency shall publish aggregate enforcement statistics on a periodic basis.

SEC. 22. RULEMAKING, TECHNICAL STANDARDS, AND MACHINE-READABLE PUBLICATION.

(a) Rulemaking required.—The lead agency shall promulgate regulations necessary to implement this Act.

(b) Required publications.—The lead agency shall publish in machine-readable form—

(1) the minimum end-user price floor;

(2) the approved bag SKU list;

(3) the allowed carry formats;

(4) the rate corridor;

(5) reporting templates;

(6) logging specifications;

(7) emergency issuance and continuity specifications;

(8) monitoring methods; and

(9) any other national specification required by this Act.

(c) Version control.—The lead agency shall maintain version control for all national specifications.

(d) Public notice.—Except for emergency correction of a clerical or mathematical error, the lead agency shall provide public notice before changing any technical standard under this Act.

(e) Effective dates.—Each regulation or technical standard issued under this Act shall identify its effective date, transition date, and update cycle.

(f) Interoperability.—Technical standards issued under this section shall be interoperable, retailer-administerable, and capable of audit by the lead agency and the audit authority.

(g) Prior versions.—The lead agency shall maintain a public archive of prior versions of all national specifications.

(h) Emergency correction.—The lead agency may issue an emergency correction of an error if necessary to preserve implementation integrity, provided that the correction is published and documented.

SEC. 23. RELATION TO EXISTING LAW; PREEMPTION.

(a) Relation to existing law.—This Act shall apply in addition to, and shall not be construed to diminish, any other Federal, State, territorial, tribal, or local requirement that is not inconsistent with this Act.

(b) Conflict preemption.—Any law, rule, regulation, order, or administrative practice that conflicts with this Act or with a regulation issued under this Act is preempted to the extent of the conflict.

(c) Uniform retailer administration.—A State, territorial, tribal, regional, or local government may not impose a checkout, price-floor, logging, validation, or access procedure that would require retailer staff to make discretionary eligibility judgments or otherwise conflict with the mechanical processes established by this Act.

(d) Supplemental authority preserved.—Nothing in this Act shall be construed to prohibit a supplemental local measure that increases litter reduction, cleanup, or access continuity, provided that the measure does not conflict with this Act or any regulation issued under this Act.

(e) No implied repeal beyond conflict.—This Act shall not be construed to repeal any law by implication except to the extent of direct conflict.

SEC. 24. APPROPRIATIONS AND USE OF FUNDS.

(a) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this Act, including for the lead agency, the audit authority, and related administrative implementation.

(b) Use of compliance contributions.—Amounts collected as compliance contributions under section 13 shall be available, in accordance with law and regulation, for cleanup, interception, administration, access continuity support, transition buyback, monitoring support, audit support, and other authorized purposes.

(c) Administrative expenses.—The lead agency and participating municipalities may use funds available under this Act for reasonable administrative expenses directly related to implementation, reporting, audit, data management, and public publication.

(d) Supplement not supplant.—Funds used for cleanup and interception under this Act shall supplement, and not supplant, baseline cleanup spending required by other law, except where a specific appropriation or other legal authority provides otherwise.

(e) Accounting.—The lead agency shall maintain separate accounting for contributions, disbursements, administrative costs, buyback payments, and cleanup expenditures.

SEC. 25. TRANSITION.

(a) Initial regulations.—Not later than 90 days after the date of enactment of this Act, the lead agency shall publish initial regulations, technical standards, machine-readable forms, and the approved bag SKU list.

(b) Municipal implementation.—Not later than 120 days after the date of enactment of this Act, each municipality shall establish or update Bag Need Code systems, emergency issuance procedures, and provisional code processes.

(c) Retailer compliance date.—Not later than 180 days after the date of enactment of this Act, each retailer shall implement the point-of-sale affirmative-selection prompt, minimum price-floor controls, and submit code attempt logging required by this Act.

(d) Contribution commencement.—The compliance contribution under section 13 shall begin on the effective date specified in regulation and may phase in if the lead agency determines that phased implementation is necessary for orderly administration.

(e) Corridor commencement.—The quarterly rate corridor under section 14 shall begin in the first full quarter after the publication of the initial regulations under this section.

(f) Offline continuity commencement.—The 72-hour offline access mode, 24-hour emergency issuance SLA, and 2 percent for 2 consecutive weeks capacity trigger shall apply on the implementation date set by regulation, which shall be no later than the retailer compliance date under subsection (c).

(g) Monitoring commencement.—Monthly litter proxy monitoring under section 16 shall begin not later than the first full month after the monitoring protocol is published.

(h) Escalation commencement.—The automatic escalation ladder under section 17 shall apply prospectively once the first two consecutive monthly checks are available under the published monitoring protocol.

(i) Phase-in by product type and store size.—The lead agency may provide a phase-in by product type and store size not to exceed 6 months from the retailer compliance date, provided that such phase-in does not delay the commencement of the national checkout rule for any covered retailer category beyond the dates specified in this section.

SEC. 26. SEVERABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the remainder of this Act and the application of the remaining provisions of this Act to any person or circumstance shall not be affected.

SEC. 27. EFFECTIVE DATE.

Except as otherwise provided in section 25, this Act shall take effect on the date of enactment.

Analytical Comparison

The generated bill uses a point-of-sale price signal, retailer duties, collection/remittance rules, access safeguards, and monitoring. It preserves the central mechanism of the Irish levy while adding more detailed administration.

10. Case Analysis

London Congestion Charge

Case type: historically effective practice.

Historical Legal Regime

The London Congestion Charge established a defined central charging zone, a charge for entering or using the zone during covered periods, camera-based enforcement, penalties for non-payment, exemptions and discounts for specified users, and ring-fencing of net revenue for transport purposes. The regime was linked to continuing monitoring of traffic volumes, congestion, vehicle speeds, bus reliability, emissions, and revenue use.

Normative Request

Design a metropolitan transport law to reduce severe central-city traffic congestion, improve bus reliability, and fund transport improvements while maintaining exemptions or discounts for clearly justified users.

Empirical Evidence

Transport for London reported traffic entering the charging zone fell by about 18% and congestion fell by about 30% in the first year, with bus reliability improving.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: A defined congestion charging zone, daily charge, camera-based enforcement, exemptions/discounts, reinvestment of net revenue into transport, and ongoing monitoring of congestion, traffic speeds, bus reliability, emissions, and revenue use.

Generated Bill

A BILL

To establish a metropolitan central-city congestion pricing program with ring-fenced bus-reliability funding, to create a Mobility Access Pass framework, to require bus-operational prerequisites and early corrective action before and after pricing begins, to provide reporting, enforcement, appeal, and audit requirements, and for other purposes.

Be it enacted by the [legislative body] of the [jurisdiction], as follows:

SECTION 1. SHORT TITLE; PURPOSES.

(a) Short title.—This Act may be cited as the "Metropolitan Central-City Congestion Pricing, Bus Reliability, and Mobility Access Pass Act".

(b) Purposes.—The purposes of this Act are to—

(1) establish a congestion pricing program for the defined central-city congestion zone during peak hours;

(2) improve bus reliability and bus travel time through dedicated operational measures, including bus priority and signal priority;

(3) provide low-denial access protections through the Mobility Access Pass framework for clearly justified users;

(4) dedicate net congestion charge revenues to bus priority, bus fleet reliability, and the system operations necessary to deliver the reliability plan;

(5) require operational readiness before congestion pricing begins on affected corridors;

(6) require automatic corrective action when early bus-reliability performance misses established targets;

(7) ensure that enforcement and verification practices remain low-contact and do not create bus-lane obstruction or curbside queuing;

(8) maintain minimum bus service during any reliability freeze; and

(9) provide transparency, reporting, appeal, audit, severability, and transition provisions for the administration of this Act.

(c) Construction.—This Act shall be liberally construed to carry out the purposes set forth in this section and shall be interpreted to favor bus reliability, revenue dedication, and the low-denial administration of Mobility Access Pass eligibility where objective criteria are available.

SEC. 2. LEGISLATIVE FINDINGS AND PUBLIC NECESSITY.

(a) Findings.—The [legislative body] finds that—

(1) severe congestion in the central city impairs mobility, increases travel delay, and undermines bus reliability and bus travel time;

(2) buses operating in congested corridors are affected by private vehicle delay, curb friction, lane obstruction, and inconsistent enforcement;

(3) bus reliability improvements must begin immediately and may not depend on slow or discretionary post-enactment processes;

(4) eligible users require a low-contact exemption or discount process that does not impose repeated documentation burdens or roadside disputes;

(5) congestion pricing is justified only if net revenues are legally restricted to the public transportation purposes stated in this Act;

(6) operational prerequisites before launch are necessary to ensure that congestion pricing does not begin before bus priority measures are active and tested; and

(7) public reporting, audit, and appeal rights are necessary to ensure accountability and to prevent wrongful denials, avoidable delay, or misuse of program revenues.

(b) Public necessity.—The [legislative body] determines that the congestion pricing program, revenue dedication, Mobility Access Pass framework, launch prerequisites, early corrective measures, minimum-service protections, and reporting requirements established by this Act are necessary to protect mobility, transit-dependent riders, and the integrity of the public transportation system.

SEC. 3. DEFINITIONS AND CONSTRUCTION.

(a) Definitions.—In this Act:

(1) Appeal pending.—The term “appeal pending” means the period beginning on the date a timely appeal is filed under section 11 and ending on the date the appeal is finally resolved.

(2) Bus-lane and stop-dwell management rules.—The term “bus-lane and stop-dwell management rules” means enforceable traffic, curb, stopping, loading, unloading, queue-control, and lane-clearance rules applicable to bus priority corridors and any adjacent curbside or lane space necessary to keep buses moving, including geofenced no-stopping areas authorized under this Act.

(3) Bus priority corridor.—The term “bus priority corridor” means any street, lane, intersection, segment, or route designated by the transit agency or traffic authority for priority bus operations, signal priority, bus-lane protection, or stop-dwell management under this Act.

(4) Chargeable entry.—The term “chargeable entry” means the entry of a private motor vehicle into the congestion zone during peak hours, except where the vehicle is exempt or discounted under this Act.

(5) Congestion charge.—The term “congestion charge” means the fee imposed under section 5 on each chargeable entry by a private motor vehicle during peak hours.

(6) Congestion zone.—The term “congestion zone” means the central-city geographic area designated under section 4 and shown on the official map or geofence published by the administering authority.

(7) Dedicated transport or transit reliability fund.—The term “dedicated transport or transit reliability fund” means the segregated fund established under section 6.

(8) Disabled traveler.—The term “disabled traveler” means a person who meets the eligibility criteria established by rule under section 7 and who qualifies through an existing disability record, benefit record, accessible-vehicle record, or equivalent objective documentation under this Act.

(9) Emergency or care trip.—The term “emergency or care trip” means a trip made for emergency response, emergency medical care, urgent caregiving, or transport of a person to or from a medical, social-service, or caregiving appointment where delay would materially impair health, safety, or access to necessary care, as defined by rule under section 7.

(10) Essential-work driver.—The term “essential-work driver” means a person operating a private motor vehicle for work that requires travel during peak hours and whose eligibility is established by employer attestation, rotating-duty roster, or equivalent objective evidence under section 7.

(11) Fee administrator.—The term “fee administrator” means the official, office, or contractor designated to collect the congestion charge, issue notices, maintain payment records, and process related disputes under this Act.

(12) Finalized MAP application.—The term “finalized MAP application” means an application that contains all information required by statute or rule or that has been provisionally accepted under section 8 and for which the applicant has either submitted the missing materials or exhausted the cure period.

(13) Geofence.—The term “geofence” means an electronic boundary established for identifying entries into the congestion zone or affected microsegments by license-plate recognition, transponder, or other approved low-contact method.

(14) Hardship resident.—The term “hardship resident” means a resident who meets a hardship category established under section 7, including housing, income, medical, caregiving, or other objectively verifiable hardship criteria specified by rule.

(15) License-plate recognition.—The term “license-plate recognition” means an automated vehicle identification method using image capture or equivalent approved technology to match a vehicle registration number to an account, exemption, or MAP status.

(16) MAP.—The term “MAP” or “Mobility Access Pass” means a statutory pass, exemption, or discount authorization issued under sections 7 through 11 to a person or vehicle meeting eligibility criteria under this Act.

(17) Provisional MAP.—The term “provisional MAP” means a temporary MAP issued under section 8 before final eligibility verification is complete.

(18) Private motor vehicle.—The term “private motor vehicle” means a motor vehicle used for private, non-transit transport, including a personally owned vehicle, leased vehicle, or other non-exempt vehicle, but excluding any vehicle expressly exempted by this Act, including emergency vehicles and legally required disability-access transport.

(19) Peak hours.—The term “peak hours” means the chargeable time periods established under section 4 during which the congestion charge applies.

(20) Reliability Restoration budget category.—The term “Reliability Restoration budget category” means the budget category established under section 16 for operational staffing, service restoration, temporary trip increases, and other measures needed to restore and maintain reliability during a freeze.

(21) Reliability Tuning Order.—The term “Reliability Tuning Order” means the automatic corrective order issued under section 13 when corridor headway variance or travel-time unreliability misses the month-1 target during the first 6 weeks after launch.

(22) Signal priority.—The term “signal priority” means traffic signal timing, preemption, transit signal priority, queue-jump timing, or related intersection control measures that give buses preferential movement through intersections and bus priority corridors.

(23) System operations necessary to deliver the reliability plan.—The term “system operations necessary to deliver the reliability plan” means dispatching, scheduling, control-center operations, service recovery, bus-lane protection, signal priority support, maintenance, training, enforcement support, data systems, and other operational functions directly needed to implement the measures required by this Act.

(24) Transit agency.—The term “transit agency” means the public agency or operating entity responsible for bus service planning, dispatch, scheduling, service control, and bus reliability measures in the jurisdiction.

(25) Traffic authority.—The term “traffic authority” means the public agency responsible for traffic regulation, curb management, lane designation, signage, and related street operations.

(b) Construction rules.—For purposes of this Act—

(1) where objective criteria are available, eligibility, exemption, launch readiness, and enforcement status shall be administered non-discretionarily;

(2) a technical or administrative rule may not narrow any statutory entitlement, cure period, appeal right, or access protection created by this Act;

(3) any ambiguity concerning a procedural safeguard shall be construed to preserve access, minimize burden on eligible users, and prevent roadside delay; and

(4) no provision of this Act shall be construed to authorize generalized stop-and-search authority, document inspection at the curb as a condition of access, or on-scene proof requirements beyond the low-contact verification methods expressly authorized by this Act.

SEC. 4. DESIGNATION OF CONGESTION ZONE AND CHARGEABLE HOURS.

(a) Designation required.—Not later than [X] days before the first chargeable day, the traffic authority, in coordination with the transit agency and fee administrator, shall designate the congestion zone by official map and geofence.

(b) Peak hours.—The traffic authority shall designate peak hours during which the congestion charge applies. Peak hours shall be limited to the time periods determined by the legislative body or, if delegated, by rule based on published congestion and bus-delay data.

(c) Publication.—The traffic authority shall publish—

(1) the official zone map;

(2) the geofence coordinates or equivalent digital boundary;

(3) the peak-hour schedule;

(4) the list of bus priority corridors;

(5) the locations at which signal priority and bus-lane and stop-dwell management rules apply; and

(6) the effective date for each corridor or microsegment.

(d) Advance notice of changes.—A change to the congestion zone, geofence, peak hours, bus priority corridor designation, or affected corridor list shall not take effect until—

(1) the proposed change is published in advance;

(2) the public has received notice for at least 30 days, unless a shorter period is required to correct an operational emergency affecting bus safety or system integrity;

(3) the transit agency certifies readiness for any corridor newly added to charging; and

(4) the fee administrator updates all billing, verification, and notice systems.

(e) Limit on expansion.—The congestion zone may not be expanded during any period in which a reliability freeze is in effect under section 15.

SEC. 5. CONGESTION CHARGE ASSESSMENT AND PAYMENT.

(a) Imposition.—The jurisdiction shall impose a congestion charge on each chargeable entry by a private motor vehicle during peak hours.

(b) Liability.—The charge shall attach to the vehicle account or registered operator identified through the approved low-contact method established by the fee administrator.

(c) Collection methods.—The fee administrator may collect the congestion charge through—

(1) account billing;

(2) license-plate recognition;

(3) transponder or account-linked vehicle identification;

(4) a prepaid account system; or

(5) another approved low-contact method that does not require roadside document presentation.

(d) Registration requirement.—A person may not avoid the congestion charge by failing to register if registration is required for the approved collection method.

(e) Billing and notice.—The fee administrator shall—

(1) issue periodic invoices or electronic notices according to a published billing cycle;

(2) state the charge amount, date, time, location or geofence entry, any exemption or discount applied, and the dispute deadline; and

(3) maintain an accessible payment and dispute channel.

(f) Nonpayment.—Failure to pay a validly assessed congestion charge shall subject the liable person to the collection and enforcement procedures established by rule, subject to the limitations in this Act and any appeal pending under section 11.

(g) No roadside collection disruption.—The collection method shall not create curbside queuing, bus-lane obstruction, or on-scene enforcement delay that interferes with transit movement.

SEC. 6. REVENUE DEDICATION AND FUND STRUCTURE.

(a) Dedicated fund created.—There is established in the treasury of the jurisdiction a dedicated transport or transit reliability fund.

(b) Deposit requirement.—The fee administrator shall deposit all net congestion charge revenues into the dedicated fund not later than the end of the next business day after receipt, or on another schedule approved by the treasury consistent with prompt segregation of funds.

(c) Permitted uses.—Amounts in the dedicated fund shall be used only for—

(1) bus priority;

(2) signal priority;

(3) bus fleet reliability;

(4) system operations necessary to deliver the reliability plan;

(5) administration of this Act;

(6) audit, reporting, and public transparency costs authorized by this Act;

(7) the Reliability Restoration budget category established under section 16; and

(8) any other use expressly authorized by this Act.

(d) Prohibited uses.—Amounts in the dedicated fund shall not be diverted to unrelated general municipal purposes, non-transportation expenditures, or any use not expressly authorized by this Act.

(e) Separate accounting.—The fund administrator shall maintain separate accounting for—

(1) operating expenditures;

(2) enforcement and verification expenditures;

(3) technology and data systems;

(4) appeal and adjudication costs;

(5) reliability restoration expenditures; and

(6) audit and reporting expenditures.

(f) Quarterly statement.—Not later than 30 days after the end of each calendar quarter, the fund administrator shall publish a statement showing—

(1) opening balance;

(2) receipts;

(3) expenditures by authorized category;

(4) transfers, if any, authorized by law;

(5) closing balance; and

(6) projected expenditures for the next quarter.

(g) Unauthorized transfer.—Any transfer not authorized by this Act shall be treated as a material compliance breach and shall be reversed by repayment to the fund as soon as practicable, but not later than 30 days after discovery unless a court orders otherwise.

SEC. 7. MOBILITY ACCESS PASS ELIGIBILITY CATEGORIES.

(a) Pre-authorization.—The administering authority shall pre-authorize MAP eligibility for the following categories when objective criteria are met:

(1) disabled travelers;

(2) hardship residents;

(3) essential-work drivers; and

(4) emergency or care trips.

(b) Objective evidence.—The administering authority may accept any one or more of the following as objective evidence, if applicable to the eligibility category:

(1) an existing disability record;

(2) an existing benefit record;

(3) a hardship determination already on file;

(4) an employer attestation;

(5) a rotating-duty roster attestation;

(6) accessible-vehicle registration records;

(7) emergency-service designation; or

(8) other evidence specified by rule that is objective, verifiable, and no more burdensome than the evidence described in this subsection.

(c) Application channels.—The administering authority shall provide electronic, paper, assisted, telephone, and in-person application channels.

(d) Presumption in favor of plausibly eligible applicants.—A person who meets a statutory MAP category or who submits an application plausibly connected to a statutory MAP category shall not be denied solely because the application is incomplete if plausibility is established under section 8.

(e) Narrow tailoring.—Eligibility criteria and evidence requirements shall be limited to the minimum necessary to confirm that the applicant falls within a statutory category.

(f) Categorization record.—For each approval, the administering authority shall record the category on which the approval was based and the evidence relied upon, subject to privacy protections in section 20.

(g) No discretionary narrowing.—The administering authority shall not adopt or apply any criterion that effectively narrows eligibility beyond the categories stated in this section.

SEC. 8. PROVISIONAL MAP ISSUANCE AND FINAL DECISION.

(a) Provisional issuance required.—If the administering authority determines that evidence submitted with a MAP application is incomplete but plausibly connected to an eligible category under section 7, the administering authority shall issue a provisional MAP not later than 3 days after receipt of the application or after any assisted-channel submission is converted into a record capable of processing.

(b) Final determination deadline.—The administering authority shall make a final determination on a complete or provisionally accepted application not later than 10 days after receipt of the complete application or provisionally accepted application.

(c) Missing documents.—Denial may not be based on missing documents alone.

(d) Cure period.—If the application is incomplete, the administering authority shall provide a mandatory 14-day cure period before a denial may be sustained for missing documentation alone.

(e) Notice.—At the time of provisional acceptance or notice of incompleteness, the administering authority shall provide written or electronic notice stating—

(1) the missing items, if any;

(2) the cure period;

(3) the final decision deadline; and

(4) the right to appeal under section 11.

(f) Duration.—A provisional MAP shall remain valid during the cure period and any timely appeal.

(g) No repeated restart.—The cure period shall not be restarted except upon a materially different application or a substantial change in eligibility category, as defined by rule.

(h) Applicant assistance.—The administering authority shall provide reasonable application assistance through assisted channels for persons who cannot complete a standard application without help.

SEC. 9. ENFORCEMENT-TIME PRESUMPTION OF MAP EXEMPTION.

(a) Presumption.—A vehicle associated with a registered or provisional MAP number shall be treated as exempt or discounted at the time of travel, as applicable, when entering the congestion zone during peak hours.

(b) Travel-time effect.—The presumption established in subsection (a) shall apply during travel even if final verification is pending.

(c) Post-travel correction.—If a vehicle is later found ineligible after travel-time presumption was applied, the fee administrator may seek capped repayment only as authorized by subsection (d) and section 11.

(d) Capped repayment.—Any repayment demanded from a person or vehicle later found ineligible shall be limited to the amount of the avoided congestion charge, reduced by any statutory discount otherwise applicable, and shall not include penalties, punitive surcharges, or interest except as expressly authorized by general debt-collection law after final resolution of all appeals.

(e) No escalation during appeal.—No penalty, surcharge, or escalating collection action shall be taken while an appeal is pending.

(f) Record basis.—The fee administrator shall preserve the record showing the basis for the travel-time presumption, including the registration match or dedicated-channel verification used.

SEC. 10. LOW-CONTACT VERIFICATION RESTRICTIONS.

(a) Authorized verification methods.—Verification for MAP status shall be limited to—

(1) number-plate match; or

(2) MAP verification through a dedicated transit-enforcement channel.

(b) Prohibition on roadside documentation.—No on-scene document presentation shall be required as a condition of access to the congestion zone or as a condition of receiving a discount or exemption under this Act.

(c) No repeated curbside proof.—Field personnel may not require repeated proof at the curb after a valid MAP registration, provisional MAP, or dedicated-channel verification has been established.

(d) Training and routing.—The administering authority shall train field personnel to refer MAP disputes to the fee administrator or appeals unit and shall not direct field personnel to resolve eligibility disputes on scene.

(e) Prohibited practices.—The administering authority, fee administrator, and field personnel shall not use a verification practice that causes curbside queuing, bus-lane obstruction, or unnecessary delay to bus operations.

(f) Enforcement review.—A violation of this section by an official or contractor shall be subject to internal review and corrective action, including retraining, contract remedies, or other administrative measures authorized by law.

SEC. 11. APPEALS AND CAPPED CLAWBACK.

(a) Fast-track appeal required.—The administering authority shall provide a fast-track MAP appeal process.

(b) Separate appeals unit.—The appeals unit shall be separate from field enforcement and shall not be staffed by personnel whose primary duties are roadside enforcement under this Act, except for limited administrative support designated by the head of the agency.

(c) Appeal filing.—The appeals unit shall accept filings electronically, by telephone, by mail, through an assisted channel, and in person.

(d) Appeal deadline.—The appeal decision shall be issued not later than 15 days after filing unless the applicant consents in writing to additional time.

(e) Immediate restoration.—If a denial is overturned, the MAP shall be restored immediately for 12 months from the date of restoration, subject to any later change in eligibility status supported by objective evidence.

(f) Pending appeal protections.—While an appeal is pending, the fee administrator shall not impose penalties, escalating collections, or additional enforcement action based solely on the challenged MAP determination.

(g) Clawback limitation.—If final verification establishes ineligibility after a provisional MAP or travel-time presumption was granted, the fee administrator may seek only capped repayment under section 9 and shall not assess punitive charges.

(h) Correction of error.—If a denial, suspension, or adverse determination is reversed, the appeals unit shall direct the fee administrator to correct all related records within 2 business days.

SEC. 12. BUS OPERATIONAL PREREQUISITES BEFORE PRICING BEGINS.

(a) Launch condition.—Pricing may not begin on affected corridors unless the prerequisites in subsections (b) and (c) are certified as operational on each affected corridor.

(b) Signal priority prerequisite.—Signal priority timing shall be activated and tuned at the specified intersections on each affected corridor before pricing begins.

(c) Bus-lane and stop-dwell prerequisite.—Bus-lane and stop-dwell management rules shall be operational before pricing begins, including any geofenced no-stopping areas necessary for enforcement work and bus-lane protection.

(d) Testing and certification.—Before a corridor becomes chargeable, the transit agency shall test the required systems and certify in writing that the systems are operational and that the corridor is ready for pricing.

(e) Pause if prerequisite ceases to operate.—Pricing shall pause for any affected corridor if any launch prerequisite ceases to operate, until the prerequisite is restored and recertified.

(f) Public certification ledger.—The administering authority shall maintain a public corridor-by-corridor certification ledger identifying the date each prerequisite was certified and the date each corridor became chargeable.

(g) No substitute compliance.—Temporary demonstrations, pilot-only configurations, or partially functioning systems shall not satisfy the prerequisite unless certified as fully operational under this section.

SEC. 13. RELIABILITY TUNING ORDER AND EARLY CORRECTIVE ACTION.

(a) First-6-weeks monitoring.—During the first 6 weeks after launch on a corridor, the transit agency shall measure corridor headway variance and travel-time unreliability at the interval specified by rule.

(b) Automatic trigger.—If, during the first 6 weeks after launch, corridor headway variance or travel-time unreliability exceeds the month-1 target for that corridor, the administering authority shall issue a Reliability Tuning Order the same week.

(c) Required corrective actions.—A Reliability Tuning Order shall authorize and direct, as applicable—

(1) extra bus trips funded from the dedicated fund;

(2) adaptive signal adjustments;

(3) temporary operational reallocation to keep lanes clear;

(4) dispatch or schedule recovery actions;

(5) temporary service shaping necessary to restore reliability; and

(6) any other operational measure authorized by rule that directly improves bus reliability.

(d) No delay for quarterly review.—The administering authority shall not wait for quarterly or annual review before acting under this section.

(e) Documentation.—For each Reliability Tuning Order, the transit agency shall document the target missed, the measurements relied on, the corrective actions taken, and the expected time to restoration.

(f) Follow-up review.—The transit agency shall evaluate the effect of each Reliability Tuning Order not later than 14 days after issuance and shall continue or adjust corrective action until the corridor meets the applicable target.

(g) Supplemental authority.—Nothing in this section limits later quarterly or annual corrective actions; however, those actions shall supplement and not replace the same-week corrective action required by this section.

SEC. 14. BUS-LANE INTEGRITY AND ENFORCEMENT SEQUENCING.

(a) Clearance first.—Any detected bus-lane violation shall trigger clearance actions before broader congestion enforcement workflow proceeds.

(b) Priority over fee workflow.—Where a bus-lane violation, curb obstruction, or bus-stop blockage is detected in the same location as a congestion charge enforcement event, bus-lane clearance shall take precedence over fee collection or other congestion enforcement steps.

(c) No obstruction by enforcement.—Enforcement and verification activities under this Act shall not create curbside queuing or bus-lane obstruction.

(d) Geofenced no-stopping areas.—The traffic authority may establish geofenced no-stopping areas to support bus-lane clearance and bus stop operations under this Act.

(e) Field protocols.—The traffic authority, in coordination with the transit agency, shall publish field protocols that specify the clearance sequence, communication steps, and escalation path for bus-lane violations.

(f) No generalized search authority.—Nothing in this section shall be construed to authorize generalized stop-and-search authority, roadside detention, or document inspection beyond the methods expressly authorized by this Act.

SEC. 15. RELIABILITY FREEZE, SERVICE MINIMUMS, AND PAUSED EXPANSION.

(a) Freeze trigger.—If the reliability trigger is missed, the congestion charge rate shall be frozen.

(b) Expansion paused.—If the reliability trigger is missed, any planned zone expansion shall be paused.

(c) Minimum service.—During the freeze, the jurisdiction shall maintain minimum bus frequency and staffing levels.

(d) No reduction in hours.—During the freeze, no reduction in bus service hours shall occur as a consequence of the missed reliability trigger.

(e) Publication of freeze.—The transit agency shall publish a freeze notice identifying the affected corridor or corridors, the reason for the freeze, the minimum-service baseline, and the expected corrective steps.

(f) End of freeze.—The freeze shall remain in effect until the transit agency certifies that the applicable reliability conditions have been met and that minimum-service requirements can continue to be satisfied.

(g) No narrowing during freeze.—During a freeze, the jurisdiction may not narrow MAP eligibility, reduce appeal rights, or weaken bus-lane protection to offset the freeze.

SEC. 16. RELIABILITY RESTORATION BUDGET AND STAFFING.

(a) Establishment.—The jurisdiction shall establish a Reliability Restoration budget category within the dedicated fund.

(b) Permitted uses.—The Reliability Restoration budget category shall fund—

(1) required operational staffing;

(2) temporary trip increases;

(3) service recovery actions;

(4) bus-lane protection support;

(5) signal priority adjustments;

(6) dispatcher or control-center augmentation; and

(7) other service measures needed to restore reliability and maintain minimum service.

(c) Not limited to capital works.—The Reliability Restoration budget category shall not be limited to capital works and may be used for operating expenditures and temporary service interventions.

(d) Expedited allocation.—When a freeze is in effect, the fund administrator shall allocate money from the Reliability Restoration budget category on an expedited basis consistent with procurement and treasury law.

(e) Spending plan.—Within the timeframe established by rule after a freeze begins, the transit agency shall submit a restoration spending plan describing the staffing, trips, service measures, and expected timeline for restoring reliability.

(f) Priority of service continuity.—In allocating funds under this section, the transit agency shall prioritize service continuity and reliability restoration over nonessential administrative expansion.

SEC. 17. TRANSPARENCY, DASHBOARDS, AND PUBLIC REPORTING.

(a) Monthly dashboard required.—Not later than 20 days after the end of each month, the administering authority shall publish a public dashboard showing at least the following:

(1) MAP application volume;

(2) MAP approval times;

(3) MAP denial times;

(4) cure-period usage;

(5) appeal filing volume;

(6) appeal turnaround time;

(7) appeal disposition rates;

(8) MAP denial reversal rates;

(9) bus-lane compliance;

(10) signal priority performance success;

(11) corridor headway variance;

(12) corridor travel-time reliability; and

(13) any Reliability Tuning Order issued during the month.

(b) Content limitations.—The dashboard shall not disclose unnecessary personal information, protected health information, or medical detail beyond what is necessary for program accountability and aggregate reporting.

(c) Source records.—The administering authority shall retain source records sufficient to verify the dashboard and shall make those records available for audit in accordance with law.

(d) Public format.—The dashboard shall be published in a searchable, accessible, and downloadable format.

(e) Failure to publish.—Failure to publish a required dashboard shall be treated as an administrative compliance failure and shall be reported to the legislative body within 10 days after discovery.

SEC. 18. AUTOMATIC PROCESS CORRECTION THRESHOLDS.

(a) Threshold publication.—Before launch, the administering authority shall publish the threshold values for MAP denial reversal rates and appeal backlog that will trigger automatic process correction.

(b) Automatic correction required.—If MAP denial reversal rates or appeal backlog exceed the published thresholds, the administering authority shall automatically correct the MAP process.

(c) Limitation on corrections.—Any correction under this section shall not expand document requirements, shall not increase roadside proof burdens, and shall not narrow eligibility.

(d) Required effects of correction.—Any automatic correction under this section shall reduce avoidable processing delay, improve throughput, and preserve or improve access protection.

(e) Notice of correction.—The administering authority shall publish notice of each automatic correction and the effective date not later than 3 business days after activation.

(f) Continued monitoring.—The administering authority shall continue to monitor the correction until performance returns to within the published thresholds.

SEC. 19. RULEMAKING AUTHORITY AND LIMITS.

(a) Rulemaking authority.—The administering authority may adopt rules necessary to administer billing, verification, appeals, reporting, corridor certification, launch readiness, and technical implementation of this Act.

(b) Limits.—The administering authority may not adopt a rule that—

(1) narrows MAP eligibility;

(2) delays launch prerequisites beyond the requirements of this Act;

(3) weakens cure rights or appeal rights;

(4) relaxes freeze protections;

(5) authorizes roadside document presentation as a condition of access; or

(6) authorizes enforcement practices that create curbside queuing or bus-lane obstruction.

(c) Notice and comment.—If notice-and-comment rulemaking is required by applicable law or local procedure, the administering authority shall comply with that requirement for rules under this Act.

(d) Rulemaking record.—Each rule adopted under this Act shall identify the statutory authority, implementation date, and affected operational process.

(e) Consistency.—A rule inconsistent with this Act shall be void to the extent of the inconsistency.

SEC. 20. COORDINATION WITH EXISTING LAW AND DATA GOVERNANCE.

(a) Coordination required.—The jurisdiction shall coordinate implementation of this Act with existing vehicle registration, privacy, disability-access, and administrative-appeals laws.

(b) Minimum necessary data.—The fee administrator shall use only the minimum data necessary to administer the congestion charge, MAP verification, appeal processing, audit, reporting, and legal compliance.

(c) Authorized data sharing.—The administering authority may share data only as authorized for—

(1) charge collection;

(2) MAP verification;

(3) appeal processing;

(4) audit;

(5) public reporting in aggregate form;

(6) legal compliance; or

(7) any other purpose expressly authorized by law.

(d) Data-retention schedule.—The jurisdiction shall maintain a data-retention schedule for charge records, MAP records, appeal records, and audit records.

(e) Protected personal information.—Protected personal information shall not be disclosed except as required by law or as necessary to administer this Act consistent with subsection (b).

(f) Unauthorized disclosure.—Any unauthorized disclosure shall be investigated and reported under the applicable privacy law and this Act, and the jurisdiction shall implement corrective action.

SEC. 21. SEVERABILITY AND RELATION TO EXISTING LAW.

(a) Severability.—If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the remainder of this Act and the application of the remaining provisions shall not be affected and shall continue in effect to the maximum extent permitted by law.

(b) Relation to local ordinances.—This Act shall prevail over inconsistent local ordinances to the extent of the inconsistency.

(c) Relation to existing protections.—Nothing in this Act shall be construed to repeal, diminish, or supersede existing transit, disability, privacy, labor, or administrative protections except to the minimum extent necessary to give effect to this Act.

(d) Conforming amendments.—The jurisdiction shall identify any provision of existing law requiring conforming amendment to implement this Act and shall enact or adopt such conforming amendments as necessary.

SEC. 22. IMPLEMENTATION DATE, PHASED ROLLOUT, AND PRE-LAUNCH CERTIFICATION.

(a) Effective date.—This Act shall take effect on the date specified in the enactment instrument or on a later administrative effective date if stated in the enactment instrument.

(b) MAP availability.—The jurisdiction shall not delay MAP availability beyond the effective date.

(c) Phased rollout.—The administering authority shall publish a phased implementation schedule for the congestion zone and each affected corridor.

(d) Corridor-by-corridor certification.—The congestion charge may begin on a corridor only after the transit agency has certified that all launch prerequisites required by section 12 are operational on that corridor.

(e) Launch notice.—The administering authority shall file and publish a public launch notice and a corridor-by-corridor certification ledger before the first chargeable day.

(f) No charging without certification.—The jurisdiction shall not collect charges on a corridor that lacks a valid readiness certificate.

(g) Transition administration.—During the period between enactment and the first chargeable day, the administering authority shall complete public outreach, system testing, staff training, application intake readiness, appeal-unit readiness, and publication of all required forms and notices.

SEC. 23. IMPLEMENTATION DUTIES OF ADMINISTERING AUTHORITIES.

(a) Metropolitan transportation authority.—The metropolitan transportation authority shall coordinate program design, corridor certification, reporting, and funding allocation under this Act.

(b) Traffic authority.—The traffic authority shall designate the congestion zone, peak hours, bus priority corridors, geofenced no-stopping areas, lane controls, and field protocols.

(c) Transit agency.—The transit agency shall operate bus priority, signal priority coordination, service recovery, reliability measurement, and minimum-service compliance.

(d) Fee administrator.—The fee administrator shall collect charges, issue notices, maintain account records, process administrative billing disputes, and coordinate low-contact verification.

(e) Appeals unit.—The appeals unit shall adjudicate MAP appeals, direct corrections to the fee administrator, and publish appeal performance metrics.

(f) Auditor.—The independent auditor designated by the jurisdiction shall review revenues, expenditures, MAP processing, verification practices, and compliance with this Act at intervals established by rule or budget law.

SEC. 24. ENFORCEMENT, COMPLIANCE, AND REMEDIES.

(a) Administrative enforcement.—The administering authority may impose administrative remedies, corrective directives, contract remedies, training requirements, record corrections, and other noncriminal enforcement measures authorized by law for violations of this Act.

(b) Material noncompliance.—Failure to maintain the required fund segregation, launch prerequisites, MAP cure and appeal rights, minimum-service protections, or reporting duties shall constitute material noncompliance.

(c) Corrective action plan.—Upon finding material noncompliance, the administering authority shall require a corrective action plan identifying the violation, the remedy, the responsible officer, and the completion date.

(d) Preservation of access rights.—No enforcement action under this Act shall be used to limit the statutory rights of an eligible MAP holder except in accordance with the appeal and clawback procedures in sections 9 and 11.

(e) No retaliation.—No person shall be retaliated against for filing a MAP application, cure submission, appeal, complaint, or audit request under this Act.

SEC. 25. APPROPRIATIONS AND AUTHORIZATION OF EXPENDITURE.

(a) Authorization.—There are authorized to be appropriated or otherwise made available such sums as are necessary to carry out this Act, including sums for system setup, enforcement systems, signal priority, bus-lane protections, MAP processing, appeals, dashboard publication, audit, and staff training.

(b) Use of receipts.—To the extent revenues are available in the dedicated fund, expenditures authorized by this Act may be paid from those revenues, subject to lawful appropriation, budget, or spending authorization requirements.

(c) Startup costs.—The jurisdiction may use startup appropriations, reserve transfers, or other lawful funding sources to cover pre-launch costs, provided that such use does not weaken the revenue dedication required by section 6.

(d) Staffing authority.—The jurisdiction shall ensure sufficient staffing for the fee administrator, appeals unit, transit operations, enforcement support, and audit functions to meet the deadlines established by this Act.

SEC. 26. EFFECT OF NONCOMPLIANCE ON IMPLEMENTATION.

(a) No corridor charging without readiness.—If a corridor lacks a valid readiness certificate under section 12, that corridor shall not be subject to the congestion charge.

(b) No zone expansion during freeze.—No expansion of the congestion zone shall occur while a freeze is in effect under section 15.

(c) No stricter MAP process through operation.—Operational necessity may not be used to impose stricter MAP eligibility criteria, longer cure periods, or slower appeal deadlines than those established by this Act.

(d) Suspension of unauthorized practices.—If the administering authority identifies a practice inconsistent with the low-contact verification requirement, the practice shall be suspended until corrected.

SEC. 27. IMPLEMENTATION TIMELINES.

(a) Day 0.—On the effective date, the jurisdiction shall publish the definitions schedule, zone map draft or final map, peak-hour schedule, MAP application channels, and reporting format.

(b) Within 3 days of a plausible incomplete application.—A provisional MAP shall issue where warranted under section 8.

(c) Within 10 days of a complete or provisionally accepted application.—A final MAP decision shall issue.

(d) Within 14 days of notice of missing documentation.—The cure period shall expire unless additional time is lawfully granted under section 8 for a materially different or amended application.

(e) Before first chargeable day on any corridor.—Signal priority and bus-lane and stop-dwell management rules shall be operational and tested, and a readiness certificate shall be published.

(f) First 6 weeks after launch.—The same-week Reliability Tuning Order requirement shall apply when targets are missed.

(g) Within 15 days of appeal filing.—The appeal decision shall issue unless the applicant consents to more time.

(h) Monthly.—The dashboard required by section 17 shall be published.

SEC. 28. NO IMPLIED REPEAL OF ACCESS PROTECTIONS.

Nothing in this Act shall be construed to authorize the denial of access to a person who qualifies for a MAP, a provisional MAP, or a statutory exemption, except in accordance with a final adverse determination after the cure and appeal rights provided by this Act have been afforded.

SEC. 29. RULE OF DE MINIMIS OR TECHNICAL ERROR.

A minor clerical, metadata, or technical error in a MAP record, charge record, or dashboard entry shall not by itself invalidate a charge, denial, approval, or report if the substantive eligibility, chargeability, or reporting basis can be established from the underlying records and corrected promptly without prejudice to any appeal or cure right.

SEC. 30. PUBLIC ACCESSIBILITY AND ASSISTED CHANNELS.

(a) Accessibility required.—All forms, notices, dashboards, appeal forms, and instructions under this Act shall be made accessible to persons with disabilities and persons with limited digital access.

(b) Assisted channels.—The administering authority shall provide assisted channels for applications, appeals, and billing disputes for persons who cannot effectively use standard electronic systems.

(c) Language access.—To the extent required by applicable law or local policy, the administering authority shall provide language-access support for materials and assistance under this Act.

SEC. 31. INTERAGENCY COORDINATION.

(a) Coordination memorandum.—Before launch, the metropolitan transportation authority, traffic authority, transit agency, fee administrator, and appeals unit shall execute a memorandum of coordination identifying roles, data interfaces, escalation paths, and certification responsibilities.

(b) Operational drill.—The agencies listed in subsection (a) shall conduct at least one operational drill before the first chargeable day.

(c) Emergency escalation.—The memorandum of coordination shall include procedures for system outages, detector failures, public-safety incidents, and bus-lane obstruction events.

SEC. 32. LIMITATION ON CONTRACTING AND DELEGATION.

(a) Contractor compliance.—Any contractor or vendor performing functions under this Act shall comply with the same substantive duties and safeguards that apply to the administering authority and fee administrator.

(b) Nondelegable duties.—The following duties shall remain subject to direct public oversight and may not be delegated in a manner that eliminates accountability under this Act:

(1) MAP eligibility standards;

(2) final MAP denial or approval authority;

(3) appeal adjudication;

(4) launch readiness certification;

(5) publication of dashboard metrics; and

(6) issuance of Reliability Tuning Orders.

(c) Contract terms.—Any contract related to this Act shall require record retention, audit access, compliance with privacy limits, and cooperation with corrective action.

SEC. 33. AUDIT AND INDEPENDENT REVIEW.

(a) Audit required.—The independent auditor designated by the jurisdiction shall conduct periodic audits of—

(1) fund segregation and expenditures;

(2) MAP approval, denial, provisional issuance, cure, and appeal timeliness;

(3) low-contact verification practices;

(4) bus priority and signal priority performance;

(5) launch-readiness certifications; and

(6) compliance with freeze and minimum-service requirements.

(b) Audit reports.—The auditor shall publish audit reports at intervals established by rule or not less than annually.

(c) Corrective response.—The administering authority shall file a corrective response to each audit finding not later than 30 days after publication of the audit report.

SEC. 34. PROHIBITION ON RETROACTIVE ADVERSE EFFECTS.

Except as expressly authorized by sections 9 and 11, no new fee, penalty, denial, or eligibility restriction adopted after a person has received a provisional MAP, a registered MAP, or a travel-time presumption shall apply retroactively to that person's travel during the period when the provisional MAP, registered MAP, or presumption was in force.

SEC. 35. PUBLIC EDUCATION AND NOTICE.

(a) Notice plan.—The administering authority shall publish a public education and notice plan before launch.

(b) Content.—The notice plan shall explain, in plain language—

(1) the congestion zone;

(2) peak hours;

(3) chargeability;

(4) MAP eligibility categories;

(5) provisional MAP procedures;

(6) appeal rights;

(7) bus-prerequisite launch conditions; and

(8) the freeze and minimum-service protections.

(c) Distribution.—The notice plan shall use multiple channels, including digital, printed, transit-station, and community-based notice.

SEC. 36. RELATION TO EMERGENCY AUTHORITY.

Nothing in this Act shall limit any emergency traffic, transit, or public-safety authority otherwise available under law; however, any emergency measure that affects congestion charging, MAP verification, or bus priority operations shall be documented and reported as soon as practicable, and any suspension of normal procedures shall be limited to the duration of the emergency.

SEC. 37. TERMINATION OF PROVISIONAL STATUS.

A provisional MAP shall terminate only upon—

(a) issuance of a final determination;

(b) expiration of the cure period without cure and after notice has been provided;

(c) a final adverse appeal determination; or

(d) revocation supported by objective evidence of ineligibility, subject to appeal rights under section 11.

SEC. 38. REMEDIES FOR WRONGFUL DENIAL OR WRONGFUL CHARGE.

(a) Wrongful denial.—If a person is wrongfully denied a MAP or provisional MAP, the administering authority shall correct the record and restore access immediately upon reversal.

(b) Wrongful charge.—If a charge is wrongfully assessed against a registered MAP holder, a provisional MAP holder, or a person otherwise exempt or discounted under this Act, the fee administrator shall credit or refund the amount collected not later than 30 days after determination.

(c) Administrative correction.—The fee administrator shall correct related billing records within 2 business days after the error is identified.

SEC. 39. NO PRIVATE RIGHT OF ACTION LIMITATION NOT IMPLIED.

Nothing in this Act shall be construed to limit any cause of action, administrative complaint, or judicial review otherwise available under applicable law, except that any person seeking judicial relief shall first exhaust any mandatory administrative appeal required by this Act unless exhaustion is excused by law.

SEC. 40. SUNSET REVIEW; NO AUTOMATIC EXPIRATION.

(a) Review.—The legislative body shall review the operation of this Act at intervals established by law, budget procedure, or ordinance.

(b) No automatic expiration.—This Act shall not expire by lapse of time unless repealed or amended by subsequent law.

(c) Program continuation.—Unless amended, the congestion pricing program, the dedicated fund, the MAP framework, the launch prerequisites, the Reliability Tuning Order, the freeze protections, and the reporting requirements shall remain in effect.

SEC. 41. CONFORMING REFERENCES.

Any reference in existing law, ordinance, rule, form, contract, or policy to a congestion fee, peak-hour road-use charge, bus priority revenue measure, or similar program within the jurisdiction shall be deemed to include this Act to the extent the reference is consistent with the terms of this Act.

SEC. 42. AUTHORITY TO IMPLEMENT.

The metropolitan transportation authority, traffic authority, transit agency, fee administrator, appeals unit, and auditor shall each take all actions necessary and lawful to implement this Act, including the adoption of forms, schedules, protocols, certifications, and administrative processes consistent with this Act.

SEC. 43. LIBERAL ADMINISTRATION OF ACCESS PROTECTIONS.

The administering authority shall administer sections 7 through 11 in a manner that minimizes unnecessary denial, avoids repeated documentation burdens, and preserves access for persons who plausibly qualify under a statutory MAP category, consistent with fraud prevention and objective verification requirements.

SEC. 44. FRAUD PREVENTION.

(a) Fraud detection.—The administering authority may use objective fraud-detection measures to prevent abuse of MAP and congestion charge exemptions.

(b) Limitation.—Fraud-prevention measures shall not be used to impose generalized roadside document checks, to delay provisional issuance under section 8, or to expand document requirements under section 18.

(c) Recovery.—If MAP fraud is finally established after exhaustion of appeal rights, the fee administrator may recover amounts authorized by law and may revoke the MAP prospectively.

SEC. 45. INTEGRITY OF OPERATIONAL CERTIFICATION.

(a) Certification authority.—Only the transit agency or another official designated by law may certify readiness under section 12.

(b) False certification.—A knowingly false readiness certification shall be referred for disciplinary, administrative, or legal action under applicable law.

(c) Recordkeeping.—All readiness certifications shall be retained as public records to the extent permitted by law and shall be available for audit.

SEC. 46. REVIEW OF PERFORMANCE TARGETS.

(a) Target publication.—Before launch, the transit agency shall publish the corridor-specific month-1 target and the measurement method for headway variance and travel-time unreliability.

(b) Target adjustment.—Any adjustment to a performance target shall apply prospectively only and shall not reduce any protection, freeze, or corrective duty already triggered under this Act.

(c) Objective basis.—Performance targets shall be based on published data and shall be designed to measure bus reliability improvement on affected corridors.

SEC. 47. NO CONSTRUCTION OF DISCRETIONARY DENIAL AUTHORITY.

No provision of this Act shall be construed to confer discretionary authority to deny a MAP, refuse a provisional MAP, suspend a MAP, withhold a cure period, or extend an appeal deadline where objective eligibility criteria, provisional issuance criteria, cure rights, or statutory deadlines have been satisfied.

SEC. 48. IMPLEMENTATION REPORT TO LEGISLATIVE BODY.

Not later than 60 days after the first chargeable day and not later than 180 days thereafter, the metropolitan transportation authority shall submit an implementation report to the legislative body describing—

(a) the status of congestion-zone operations;

(b) MAP processing performance;

(c) bus-priority and signal-priority performance;

(d) revenue collections and expenditures;

(e) any Reliability Tuning Orders issued;

(f) any freeze periods imposed;

(g) compliance with minimum-service requirements; and

(h) any corrective actions taken or required.

SEC. 49. EFFECT ON EXISTING BUDGET AUTHORITY.

Nothing in this Act shall be construed to require the reduction of any lawful existing transit appropriation, operating subsidy, or capital appropriation unless expressly authorized by subsequent law.

SEC. 50. EFFECTIVE DATE AND IMPLEMENTATION.

(a) Effective date.—This Act shall take effect as provided in section 22.

(b) Ongoing administration.—On and after the effective date, all officials and agencies named in this Act shall perform the duties assigned to them.

(c) Immediate preparatory steps.—Within 10 days after enactment, the administering authority shall begin publication of the implementation schedule, intake forms, certification templates, dashboard format, and appeal procedures required by this Act.

(d) Completion of launch prerequisites.—No charge shall be imposed on any corridor until all requirements of section 12 have been satisfied for that corridor.

(e) Preservation of access during transition.—Until a corridor becomes chargeable, no person shall be denied access, a provisional MAP, or a final MAP determination because the corridor is not yet active.

(f) Transition compliance.—The administering authority shall complete all transition actions necessary to administer this Act without interruption of MAP availability or appeal rights on the effective date.

Analytical Comparison

The generated bill defines a charging zone, charging events, payment and enforcement machinery, mobility-access protections, revenue use, and reliability tuning. It follows the historical congestion-charge logic: pricing scarce road use and reinvesting in transport capacity.

11. Case Analysis

Brazil Bolsa Familia conditional cash transfer

Case type: historically effective practice.

Historical Legal Regime

Bolsa Familia consolidated and scaled conditional cash transfers for low-income households. The regime uses registry-based targeting, regular cash payments, conditions tied to school attendance and preventive health participation, payment infrastructure, eligibility review, and outcome monitoring. It is an administratively targeted cash-transfer system connected to human-capital formation.

Normative Request

Design a national anti-poverty law that reduces extreme poverty while improving school attendance and preventive health participation among children in low-income households.

Empirical Evidence

World Bank and research literature associate Bolsa Familia with reductions in poverty and inequality and improvements in school participation and health-related outcomes.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Targeted cash transfers to low-income households, conditionalities tied to school attendance and health checkups, unified registry, payment infrastructure, eligibility verification, and monitoring of poverty, school, and health outcomes.

Generated Bill

A BILL

To establish an automatic national child school-health entitlement for children in low-income households, to reduce extreme child poverty, to improve school attendance and preventive-health participation, to provide a protected base floor and participation credits, to require timely payment and forward-only reconciliation, to establish provider outreach, safe harbor, dispute resolution, audit, and reporting requirements, to limit household burden, and for other purposes.

Be it enacted by the Legislature of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; LEGISLATIVE FINDINGS; PURPOSE.

(a) Short title.—This Act may be cited as the “National Anti-Poverty Guarantee Act (Child School-Health Entitlement)”.

(b) Table of contents.—The table of contents for this Act is as follows:

(c) Legislative findings.—Congress finds the following:

(1) Children in low-income households experience elevated rates of extreme poverty, unstable access to care, missed school attendance, and barriers to preventive health participation.

(2) Application-based assistance, repeated recertification, and delayed or withheld payments increase administrative burden and can deepen hardship for households with the least capacity to absorb interruption.

(3) Attendance and preventive-health participation improve when households receive timely, predictable support and when schools, clinics, and public agencies bear clear outreach and reporting responsibilities.

(4) Benefits that are withheld, recaptured, or delayed because of missing data, provider outage, or administrative error can cause harm to children and may undermine the purposes of child assistance.

(5) A protected base floor, timely payment, default crediting, forward-only reconciliation, and limited household contact are necessary to preserve child welfare and household liquidity.

(6) Audits and enforcement that focus on provider reporting quality and system error patterns are more likely to improve program accuracy than household-facing punitive verification.

(d) Purpose.—The purposes of this Act are to establish an automatic monthly child entitlement for eligible children in low-income households, to protect a nonreducible base floor, to provide participation credits linked to school attendance and preventive-health participation, to require prompt provider-led outreach, to create safe-harbor protections for provider-side failures, to limit household burden, to provide forward-only correction and dispute procedures, and to require independent evaluation and reporting.

SEC. 2. DEFINITIONS AND CONSTRUCTION.

(a) In general.—In this Act:

(1) Administrative correction cycle.—The term “administrative correction cycle” means a completed sequence of review, data matching, notice, and record amendment undertaken to resolve a discrepancy concerning attendance data, preventive-health data, identity data, household composition data, or payment calculation data.

(2) Administrative outage.—The term “administrative outage” means a failure in a provider, agency, or contracted system that materially prevents the timely transmission, receipt, processing, or validation of attendance data, preventive-health data, outreach logs, or confirmation feeds.

(3) Attendance event.—The term “attendance event” means a day, session, or other unit of school attendance recognized by the administering authority under regulations issued under this Act.

(4) Base floor.—The term “Base floor” means the nonreducible cash-and-child-allowance component of the Child School-Health Entitlement payable under section 3.

(5) Child.—The term “child” means an individual who is under 18 years of age, or such other dependent age threshold as the administering authority may establish by regulation for children who remain eligible under existing administrative registries and who reside in a low-income household.

(6) Child School-Health Entitlement.—The term “Child School-Health Entitlement” means the automatic monthly entitlement established under section 3, consisting of the Base floor and participation credits.

(7) Confirmation feed.—The term “confirmation feed” means the electronic or paper reporting channel through which a school, school district, preventive-health provider, or clinic transmits attendance data, preventive-health data, outreach data, or related verification data to the administering authority.

(8) Default participation credit.—The term “default participation credit” means the participation credit that shall be credited for a month under section 8 when participation data are missing, delayed, incomplete, or technically unavailable, and which shall be treated as earned unless and until reliable contrary data are recorded within the permitted reconciliation process.

(9) Eligible child.—The term “eligible child” means a child who is identified through existing administrative registries as residing in a low-income household and who satisfies any identity and household-composition criteria established under this Act and regulations issued under this Act.

(10) Extended grace period.—The term “extended grace period” means the period during which default participation crediting continues and no participation-credit reduction may be imposed because a provider-failure safe harbor event has occurred under section 10.

(11) Fixed national calendar.—The term “fixed national calendar” means the recurring monthly disbursement schedule established by the administering authority under section 5.

(12) Forward-only correction.—The term “forward-only correction” means a corrective payment or adjustment applied solely to future monthly payments and not by withholding, recouping, offsetting, or clawing back any amount already due or already paid for a prior month, except in the case of final fraud findings under section 20.

(13) Good faith.—The term “good faith” means a household’s reasonable reliance on information available at the time, timely response to notices and outreach to the extent feasible, and absence of intentional misrepresentation.

(14) Household.—The term “household” means the family unit or other living arrangement recognized in existing administrative registries for determining a child’s low-income household status, including a parent, guardian, or other caregiver identified as responsible for the child’s day-to-day care.

(15) Household verification interaction.—The term “household verification interaction” means a direct contact, request for documentation, request for attestation, interview, or similar communication directed to a household for the purpose of verifying eligibility, participation, or payment calculations under this Act.

(16) Medical reason episode.—The term “medical reason episode” means an absence, missed preventive-health event, or related nonparticipation event for which a caregiver submits a medical reason declaration under section 11.

(17) Medical reason presumed pending.—The term “medical reason presumed pending” means the interim status that applies upon a caregiver self-declaration under section 11(a) and continues until the episode is resolved under section 11.

(18) Month.—The term “month” means a calendar month.

(19) Nonparticipation event.—The term “nonparticipation event” means a missed attendance event or missed preventive-health event.

(20) Participation credit.—The term “participation credit” means the monthly bonus component of the Child School-Health Entitlement that is based on school attendance and preventive-health participation, as determined under section 7.

(21) Preventive-health participation.—The term “preventive-health participation” means attendance at or completion of a preventive-health visit, service, screening, immunization, well-child examination, or other preventive service that the administering authority designates by regulation and that is documented through an approved source.

(22) Preventive-health provider.—The term “preventive-health provider” means a clinic, practitioner, health system, public health service, or other entity authorized to furnish preventive-health services and to transmit confirmation data under this Act.

(23) Provider outage.—The term “provider outage” means a technical failure, administrative outage, or confirmation-feed disruption affecting a school, school district, preventive-health provider, clinic, or related reporting system.

(24) Provider reporting correction cycle.—The term “provider reporting correction cycle” means a completed sequence of provider-side review, data amendment, and retransmission required to resolve an error, omission, or mismatch in provider-reported data.

(25) School.—The term “school” means a public or otherwise participating elementary school, middle school, secondary school, alternative school, or comparable educational institution that transmits attendance data under this Act.

(26) School attendance.—The term “school attendance” means attendance at school as documented by the school or school district and recognized under regulations issued by the administering authority, including excused attendance where authorized by regulation.

(27) Single scheduling pathway.—The term “single scheduling pathway” means one standardized opportunity offered by the administering authority, a school, or a preventive-health provider for a caregiver to schedule or reschedule an attendance or preventive-health event without repeated paperwork or duplicative requests.

(28) Source-of-truth register.—The term “source-of-truth register” means the authoritative attendance record, preventive-health record, or identity record designated by the administering authority for purposes of data matching and correction.

(29) Verified overpayment.—The term “verified overpayment” means an amount paid in excess of the amount lawfully due that is established by final agency determination based on independent evidence of error or fraud and not on missing data alone.

(30) High independently measurable fraud threshold.—The term “high independently measurable fraud threshold” means the evidentiary threshold established by regulation for a household contact audit or fraud-based adverse action, requiring independent indicia of fraud beyond an administrative mismatch, data lag, or reporting omission.

(b) Construction.—

(1) Liberal construction in favor of child protection.—This Act shall be construed to preserve payment continuity, protect the Base floor, and minimize household burden.

(2) No implied reduction.—Terms not defined in this Act shall be interpreted to avoid reducing protected benefits by implication.

(3) Administrative hierarchy.—If a regulation, guidance document, or local procedure conflicts with this Act, the Act shall control.

(4) Data lag and provider error.—Data lag, provider outage, missing feed, or delayed reporting shall not, by themselves, be construed as household nonparticipation or household fault.

SEC. 3. ESTABLISHMENT OF CHILD SCHOOL-HEALTH ENTITLEMENT.

(a) Establishment.—There is established an automatic monthly entitlement, to be known as the Child School-Health Entitlement, payable on behalf of each eligible child.

(b) Components.—The Child School-Health Entitlement shall consist of—

(1) a Base floor; and

(2) participation credits.

(c) Automatic entitlement.—Each eligible child shall be entitled to the Child School-Health Entitlement for each month of eligibility, subject only to the limited conditions expressly provided in this Act.

(d) No application requirement.—No application shall be required as a condition of initial eligibility determination or continued entitlement, except that the administering authority may require information necessary to verify identity or household composition when existing administrative registries are insufficient or conflicting.

(e) Household neutrality.—The entitlement established by this Act shall not be conditioned on caregiver work status, caregiver compliance with unrelated requirements, or caregiver consent to repeated verification beyond the limits in this Act.

(f) National administration.—The administering authority shall administer the Child School-Health Entitlement uniformly nationwide through existing administrative registries and approved data exchanges with schools and preventive-health providers.

(g) Child-directed entitlement.—The entitlement is a child benefit and shall be administered in a manner that places the child’s support and continuity of payment ahead of enforcement convenience.

SEC. 4. AUTOMATIC ENROLLMENT AND ELIGIBILITY IDENTIFICATION.

(a) Automatic enrollment.—The administering authority shall enroll every eligible child automatically using existing administrative registries.

(b) Identification methods.—

(1) In general.—The administering authority shall identify eligible children by matching data from existing registries, including tax, civil registration, education, public assistance, health, and residency records, or other lawful data sources designated by regulation.

(2) Least burdensome reliable source.—The administering authority shall use the least burdensome reliable data source available to establish eligibility.

(3) Presumption of continued eligibility.—Absent contrary verified evidence, the administering authority shall presume continued eligibility during the payment cycle.

(c) No application as condition precedent.—No application shall be required as a condition of initial eligibility determination.

(d) Renewals.—Households shall not be required to file recurring renewal applications for continued entitlement absent verified identity or household composition issues.

(e) Notice of enrollment.—

(1) Timing.—The administering authority shall provide notice of automatic enrollment not later than 10 days after enrollment.

(2) Contents.—The notice shall state the basis for eligibility, the monthly payment schedule, the right to dispute errors, the protected status of the Base floor, and the methods for updating identity or household-composition information.

(3) Accessible format.—The notice shall be provided in plain language and in accessible formats required by general law and by regulations issued under this Act.

(f) Identity and household composition exceptions.—If the administering authority has verified evidence of identity inconsistency or household-composition inconsistency, the authority may request narrowly tailored information necessary to resolve the inconsistency, subject to section 15 and section 18.

(g) Record of determination.—The administering authority shall record each eligibility determination, the source data used, the date of determination, and any unresolved discrepancy.

SEC. 5. MONTHLY ENTITLEMENT AND PAYMENT TIMING.

(a) Fixed calendar payment.—The Base floor and that month’s participation credits, including default participation credits, shall be paid on the fixed national calendar.

(b) Timely payment after recognition.—The administering authority shall issue payment within the statutory time after eligibility recognition, which shall be not later than 15 days after the first administrative recognition of eligibility for that month or such shorter period as the administering authority may establish by regulation.

(c) No withholding pending reconciliation.—The payment due for a month shall not be withheld pending later reconciliation.

(d) Disbursement independence.—Payment timing shall not depend on whether attendance data, preventive-health data, or outreach data are complete on the date payment is due.

(e) Late-arriving data.—Late-arriving data shall be used only for future-month reconciliation under section 19 and section 21 and shall not delay payment of amounts already due.

(f) Nonbusiness days.—If a payment date falls on a nonbusiness day, payment shall be made on the next business day.

(g) Payment method.—The administering authority shall make payments by direct deposit, prepaid card, Treasury instrument, or such other method as the authority determines will minimize delay and preserve access, subject to access protections established by regulation.

(h) Payment record.—The administering authority shall maintain a monthly payment record showing the Base floor, participation credits, default participation credits, and any future-month correction.

SEC. 6. PROTECTED BASE FLOOR.

(a) Protected status.—The Base floor shall never be reduced, suspended, recaptured, or clawed back for attendance or preventive-health nonparticipation.

(b) No conditioning.—The Base floor shall not be conditioned on participation-credit outcomes.

(c) Continuation during dispute or review.—The Base floor shall continue during disputes, review, or reconciliation.

(d) Continuation during grace periods.—The Base floor shall continue during any grace period under section 10 or section 13.

(e) Limit on adverse action.—No enforcement action under this Act may reach the Base floor except in the case of a final fraud finding under section 20, and then only to the extent expressly authorized by that section.

(f) Separate accounting.—The administering authority shall segregate accounting for the Base floor from accounting for participation credits.

(g) Protection from offset.—The Base floor shall not be offset against any verified overpayment except to the extent expressly authorized under section 20 and subject to the limitations in section 19.

SEC. 7. PARTICIPATION CREDITS.

(a) Award authority.—The administering authority shall award participation credits for school attendance and preventive-health participation.

(b) Monthly accrual.—Participation credits shall accrue monthly on a rolling basis.

(c) Participation categories.—The administering authority shall designate by regulation the attendance and preventive-health events that qualify for participation credits, provided that the designation shall be limited to events that are objectively documentable and administrable through approved records.

(d) Bonus component only.—Participation credits shall constitute a bonus component only and shall not reduce or offset the Base floor.

(e) Prospectivity.—Participation credits may be adjusted prospectively only as provided by this Act.

(f) Calculation method.—The administering authority shall publish the calculation method for participation credits, including the relative weight assigned to school attendance and preventive-health participation, the monthly accrual rule, and any cap or floor on the bonus component.

(g) Separate ledger.—The administering authority shall maintain a separate ledger for participation credits, default participation credits, adjustments, and final determinations.

(h) Child-protective interpretation.—Where evidence is incomplete and no safe-harbor exception applies, the administering authority shall apply the interpretation that preserves the participation credit, subject to future-month reconciliation only.

SEC. 8. DEFAULT PARTICIPATION CREDITING.

(a) Default credit rule.—If participation data are missing, delayed, incomplete, or technically unavailable, the month shall receive a default participation credit.

(b) Treatment of default credit.—A default participation credit shall be treated as earned for payment purposes unless and until reliable contrary data are recorded within the permitted reconciliation process.

(c) Later reconciliation.—Later reconciliation shall adjust only future months and shall not claw back already-paid amounts for good-faith periods.

(d) Triggering conditions.—The administering authority shall automatically apply default participation crediting when—

(1) a confirmation feed fails to arrive by the reporting deadline;

(2) a provider outage is detected;

(3) a data record is incomplete in a manner that prevents timely verification;

(4) a provider correction cycle exceeds the time limit established by regulation; or

(5) a discrepancy is unresolved at the payment cutoff date.

(e) No adverse inference from missing data.—Missing, delayed, or incomplete data shall not create an adverse inference against the household.

(f) Reconciliation output.—If later data establish that a higher or lower participation credit should have been applied, the administering authority shall implement the difference prospectively under section 19, subject to the limitations of section 18.

(g) Logging.—The administering authority shall log all default participation credit events and the reason for each event.

SEC. 9. PROVIDER OUTREACH OBLIGATION.

(a) Outreach duty.—Schools and preventive-health providers shall initiate outreach within 10 days of any detected absence or missed preventive check.

(b) Scope of outreach.—The outreach required under subsection (a) shall include a concrete scheduling opportunity or equivalent follow-up contact.

(c) One opportunity minimum.—The scheduling opportunity shall include a specific date, time, or comparable service window, or a pathway to obtain one without repeated paperwork.

(d) Provider-system obligation.—Outreach obligations shall apply to the provider system and shall not be shifted to the household as a precondition for payment.

(e) Documentation.—The school or preventive-health provider shall record the outreach attempt, the date, the method of contact, the scheduling opportunity offered, and the disposition of the outreach in the confirmation feed.

(f) Failure to outreach.—Failure of a school or preventive-health provider to meet the outreach deadline shall be treated as provider-side noncompliance and shall not reduce the child's entitlement or create a household penalty.

(g) Standardized templates.—The administering authority shall issue standard outreach templates and logging requirements.

SEC. 10. PROVIDER-FAILURE SAFE HARBOR.

(a) Bar on reductions.—Participation-credit reductions shall be barred where nonreporting or missed outreach results from—

(1) provider-system technical failure;

(2) administrative outage;

(3) documented clinic or staff capacity shortfall meeting the published threshold; or

(4) absence of the confirmation feed beyond the defined error-rate or delay threshold.

(b) Continued default credit.—In cases described in subsection (a), default participation credits shall continue for the affected months.

(c) Extended grace period.—The administering authority shall automatically trigger an extended grace period when a provider-failure safe harbor event occurs.

(d) Objective criteria.—The administering authority shall publish the criteria for technical failure, administrative outage, capacity shortfall, error-rate threshold, and delay threshold before enforcement of any participation-credit reduction.

(e) Safe-harbor determination.—The administering authority shall determine safe-harbor status using objective system logs, capacity reports, and feed-integrity measures.

(f) No caregiver fault.—No caregiver shall be treated as at fault for a provider-side failure covered by this section.

(g) Remedial plan.—The administering authority shall maintain an institutional failure register and a remedial plan for repeat provider failures.

SEC. 11. MEDICAL REASON PRESUMPTION PROCESS.

(a) Self-declaration.—A single caregiver self-declaration of a medical reason shall start a medical reason presumed pending period for that episode.

(b) Automated corroboration first.—Upon receipt of the self-declaration, the administering authority shall first attempt to corroborate the medical reason using existing clinician records or claims where available.

(c) Limited attestation.—If automated corroboration fails, the caregiver may be asked for at most one brief attestation.

(d) Prohibition on repeated paperwork.—No translations, multiple documents, repeated forms, or duplicative submissions may be demanded as a condition for preserving credits.

(e) Default-credit status.—If corroboration still fails after the steps in subsections (b) and (c), credits shall not be reduced for that episode, and the case shall remain in default-credit status.

(f) Limited interactions.—The administering authority shall cap caregiver-initiated interactions related to medical-reason processing to the quarterly limit established under section 15.

(g) Single submission channel.—The administering authority shall provide a single standardized medical-reason submission channel.

(h) Record status.—The administering authority shall record each medical reason episode as pending, corroborated, unresolved, or default-credit status.

SEC. 12. RESTRICTION LIMITS AND LEAST-RESTRICTIVE ENFORCEMENT.

(a) No suspension of Base floor.—The Base floor shall not be suspended for any attendance or preventive-health outcome.

(b) Temporary reduction of participation credits.—Temporary reduction of participation credits may occur only after repeated nonparticipation events and only when all statutory preconditions are satisfied.

(c) Required preconditions.—No reduction may occur unless—

(1) provider outreach occurred within the deadline established in section 9;

(2) the caregiver was offered the single scheduling pathway;

(3) provider-failure safe harbor does not apply; and

(4) the medical-reason presumption process under section 11 has been followed and did not resolve in favor of continued credits.

(d) Prospectivity only.—Any reduction authorized by this section shall apply prospectively only.

(e) Least-restrictive effective response.—The administering authority shall use the least-restrictive effective response first, including outreach, scheduling support, default crediting, and grace periods, before any authorized participation-credit reduction.

(f) Written findings.—Each restriction decision shall contain written findings addressing each required precondition.

(g) Child-protective administration.—This section shall be administered to avoid punitive effects on the child arising from provider delay or household hardship.

SEC. 13. NOTICE, SCHEDULING PATHWAY, AND GRACE PERIODS.

(a) Required scheduling opportunity.—The administering authority shall ensure that caregivers are offered a single scheduling pathway before any eligible reduction is imposed.

(b) Notice of missed participation.—The system shall provide notice of missed participation, available remedies, and the status of any grace period.

(c) Notice contents.—The notice shall state the date of the missed event, the records relied upon, the right to dispute, the right to use the medical-reason process, and the effect of any provider-failure safe harbor.

(d) Grace periods.—During any grace period, default crediting shall continue.

(e) Notice defects.—Defective notice shall prevent adverse action until the defect is cured.

(f) Notice format.—Notices shall be provided in plain language and in accessible formats required by general law and regulation.

(g) Recordkeeping.—The administering authority shall maintain a date-stamped record of each notice, each scheduling opportunity, and each grace period.

SEC. 14. AUDIT RESTRICTIONS AND HOUSEHOLD CONTACT LIMITS.

(a) Permitted audits.—Audits shall be permitted only to measure provider reporting quality and system error patterns.

(b) Prohibition on routine household contact audits.—Household contact audits shall be prohibited unless independent fraud indicators reach the high independently measurable fraud threshold.

(c) Audit focus.—The administering authority shall direct audits to provider logs, system metrics, source-of-truth registers, and reconciliation records before directing any contact to a household.

(d) Repetitive documentation prohibited.—Households shall not be required to resubmit repetitive documentation to fix provider-side records when authorized record matching can resolve the issue.

(e) Supervisory approval.—Any household contact for audit purposes shall require supervisory approval and a documented basis under subsection (b).

(f) Audit neutrality.—Audit selection shall not be based on poverty status alone.

(g) Void contacts.—Unauthorized household contact audits shall be void and subject to corrective action.

SEC. 15. ADMINISTRATIVE INTERACTION CAP AND CORRECTION CYCLES.

(a) Household interaction cap.—The law shall set a maximum number of verification-related interactions directed to a household per year.

(b) Provider correction cycle cap.—The law shall set a maximum number of provider reporting correction cycles per child per period.

(c) Quarterly cap on medical interactions.—The quarterly cap on caregiver-initiated interactions related to medical-reason processing shall be established by regulation and shall be low enough to prevent repeated paperwork burden, but not so low as to prevent one review of a pending episode and one attestation when authorized under section 11.

(d) Cap exceedance.—If a cap established under this section would be exceeded, the system shall switch to additional default-crediting and provider-focused remediation rather than tighten household-facing enforcement.

(e) Central ledger.—The administering authority shall track interaction counts and correction cycles in a central ledger.

(f) Published method.—The administering authority shall publish the method for counting verification-related interactions and correction cycles.

(g) No Base floor effect.—No child shall lose the Base floor because any cap is reached.

(h) Anti-circumvention.—A request, notice, or contact may not be relabeled to avoid counting toward a cap if its substance is a verification-related interaction.

SEC. 16. BUDGET CEILING AND INCENTIVE ADJUSTMENT RULES.

(a) Quarterly envelope.—The administering authority shall operate within a quarterly expenditure envelope established by appropriation and apportionment.

(b) Gradual adjustment of bonus scaling.—If spending exceeds the quarterly envelope, only participation-credit bonus scaling may adjust gradually.

(c) Protection of Base floor.—The Base floor shall remain protected during any budget adjustment.

(d) Automatic pauses.—Any automatic pause under a budget correction protocol shall default to continued crediting while corrections are processed.

(e) No fiscal narrowing of verification standards.—Fiscal adjustments shall not authorize a reduction in the level of evidence required for provider reporting quality, eligibility determination, or fraud findings.

(f) Prospective application.—Any budget-triggered change in bonus scaling shall apply prospectively only.

(g) Public notice.—The administering authority shall publish the fiscal trigger points and the adjustment ladder before the first application of any budget-triggered change.

SEC. 17. ANTI-CYCLICAL PROTECTION FOR INCENTIVES.

(a) Statutory floor.—Bonus scaling parameter changes shall not reduce the effective per-month participation incentive below the statutory floor established by the administering authority under regulation.

(b) Timing restrictions.—Parameter changes under this section shall occur only at less frequent schedule points than attendance or clinic throughput cycles.

(c) Capacity stabilization.—When provider capacity stabilizes, the administering authority shall automatically re-baseline within the floor.

(d) No retaliation.—Incentive changes shall not be used as retaliation for temporary provider overload or data-quality failures.

(e) Objective indicators.—The administering authority shall use objective capacity indicators to determine whether provider capacity has stabilized.

(f) Record of re-baselining.—The administering authority shall maintain a record of each incentive-floor calculation and each capacity-stability determination.

SEC. 18. DISPUTE RESOLUTION AND CONTINUATION PENDING REVIEW.

(a) Single fast review channel.—Any credit adjustment dispute shall be handled through a single fast review channel.

(b) Continuation pending review.—During review, payments shall continue at the last recognized level.

(c) Scope of review.—The review channel shall resolve administrative mismatch disputes, provider-data disputes, attendance-data disputes, preventive-health-data disputes, and payment-calculation disputes within the statutory deadlines.

(d) Unified intake.—The administering authority shall provide a unified dispute intake method by telephone, online submission, mail, and in-person filing, subject to reasonable accessibility requirements.

(e) Deadlines.—The review channel shall resolve—

(1) administrative mismatch disputes not later than 30 days after receipt; and

(2) provider-data disputes not later than 45 days after receipt.

(f) Untimely decisions.—If a decision is not issued by the applicable deadline, the prior payment level shall continue until a decision is issued.

(g) Written decision.—Each decision shall include findings of fact, the records relied upon, the reasons for the decision, and the method of further appeal.

(h) No interruption of Base floor.—Filing a dispute shall not interrupt the Base floor.

SEC. 19. NON-RETROACTIVITY AND GOOD-FAITH PROTECTION.

(a) No clawback of Base floor.—No clawback of the Base floor shall be permitted.

(b) Good-faith protection for paid participation credits.—No withholding of already-paid participation credits shall be permitted for administrative error or delayed data where the caregiver acted in good faith.

(c) Forward-only correction.—Forward-only correction shall be the exclusive reconciliation method for covered periods.

(d) Determination of good faith.—The administering authority shall determine good faith from the contemporaneous record, available notices, and the caregiver's timely response to those notices, if any.

(e) Correction method.—Any correction based on later-arriving data shall be implemented in future months unless final fraud is proven under section 20.

(f) Restoration.—If an amount was improperly withheld or offset in violation of this section, the administering authority shall restore the amount on an expedited basis.

(g) Non-penalization of delay.—Administrative delay, provider outage, or late data shall not by itself create a retroactive debt obligation for a good-faith household.

SEC. 20. FRAUD EXCEPTION AND IDENTITY VERIFICATION.

(a) Identity-fraud exception.—Any identity-fraud exception shall require independent identity verification beyond ordinary administrative mismatch.

(b) Advance notice.—Advance notice shall be given before any fraud-based adverse action.

(c) Prohibition on suspension during investigation.—Suspension of the Base floor during fraud investigation shall be prohibited unless fraud is finally confirmed by the required identity verification standard.

(d) Final confirmation.—Fraud shall be finally confirmed only if the administering authority establishes, by the high independently measurable fraud threshold and independent identity verification, that the child or household received or claimed benefits through false identity credentials, confirmed intentional multiple identities, or a comparable verified fraudulent scheme.

(e) Investigation timeline.—The administering authority shall complete the initial fraud review within 30 days, unless an extension is authorized by regulation on a showing of extraordinary need documented in the record.

(f) Automatic resumption.—If confirmation fails within the period established under subsection (e), the protected payment structure shall resume automatically for any remaining period.

(g) Narrow construction.—This section shall be construed narrowly.

(h) Separate record.—Fraud findings shall be separately recorded and reviewed for accuracy and timeliness.

SEC. 21. DATA GOVERNANCE, SOURCE MATCHING, AND RECORD CORRECTION.

(a) Authorized record matching.—Authorized record matching shall be performed by providers and administrators using approved data sources.

(b) Source-of-truth registers.—The administering authority shall maintain source-of-truth registers for attendance and preventive-health participation.

(c) Standard interfaces.—The administering authority shall establish standard interfaces and error-handling protocols for record matching.

(d) Correction logs.—The administering authority shall log every correction source, timestamp, and actor.

(e) Household resubmission limited.—Households shall not be required to repeatedly correct provider-side records through manual resubmission when authorized matching can resolve the issue.

(f) Least-burdensome correction method.—Corrections shall use the least burdensome available method.

(g) Data-quality failures.—Repeated data-quality failures shall trigger provider remediation and compliance review.

(h) Continuity priority.—Data governance shall prioritize continuity of child payments during reconciliation.

SEC. 22. INDEPENDENT EVALUATION AND REPORTING.

(a) Independent evaluation.—The administering authority shall commission a 12-month independent evaluation.

(b) No automatic sunset tied to worse indicators.—No automatic sunset shall be tied to worse indicators alone.

(c) Evaluation scope.—The evaluator shall assess, at a minimum—

(1) child poverty reduction;

(2) payment timeliness;

(3) attendance rates;

(4) preventive-health participation;

(5) default-credit rates;

(6) provider outreach compliance;

(7) household interaction burden;

(8) dispute volume and outcomes;

(9) provider-failure safe-harbor events; and

(10) provider reporting quality and system error patterns.

(d) Public report.—The administering authority shall submit the evaluation results to the legislature and publish a public summary.

(e) No interruption of payment continuity.—Evaluation activities shall not interrupt monthly payment continuity.

(f) Redesign limitation.—Any redesign of credits or verification during the evaluation year shall not increase household procedural burden or restore contested medical gates.

(g) Periodic reporting.—After the evaluation period, the administering authority shall publish periodic performance and burden reports on a schedule established by regulation.

SEC. 23. RULEMAKING, GUIDANCE, AND PUBLIC STANDARDS.

(a) Rulemaking authority.—The administering authority may issue regulations and guidance necessary to implement this Act.

(b) Limit on narrowing authority.—The administering authority shall not issue guidance that narrows eligibility, suspends the Base floor, or expands household burden beyond the Act.

(c) Publication of thresholds.—All substantive operational thresholds shall be published before enforcement begins.

(d) Consultation.—To the extent required by general law, the administering authority shall provide notice and opportunity for public comment or comparable consultation before issuing substantive regulations under this Act.

(e) Implementation manual.—The administering authority shall maintain a public implementation manual.

(f) Consistency requirement.—Guidance shall be consistent across regions unless a statutory exception applies.

(g) Invalid inconsistency.—A rule or directive that is inconsistent with this Act shall be without effect to the extent of the inconsistency.

SEC. 24. RELATION TO OTHER LAW.

(a) Supersession of inconsistent law.—This Act supersedes any conflicting provision of law to the extent of the conflict.

(b) No reduction of other rights.—Nothing in this Act shall be construed to diminish any right or remedy under any other law providing greater protection to a child or household, except to the extent that another law would require withholding, recapture, or suspension inconsistent with the Base floor protections of this Act.

(c) Coordination with existing programs.—The administering authority shall coordinate this Act with existing child, education, health, and nutrition programs to avoid duplicative payment, duplicative documentation, or inconsistent reporting requirements.

(d) Overlapping benefits.—The administering authority may establish rules to prevent duplicative payment of the same child benefit element, provided that any coordination rule shall preserve the Base floor and shall not reduce payment because of administrative delay.

(e) State and local cooperation.—State, local, school, and provider authorities participating in this Act shall comply with data-sharing, outreach, and reporting obligations established under this Act and regulations issued under this Act, subject to applicable privacy law.

SEC. 25. APPROPRIATIONS.

(a) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this Act.

(b) Availability of funds.—Amounts appropriated under this section shall remain available until expended unless otherwise provided by appropriations Act.

(c) Use of funds.—Funds appropriated under this section may be used for—

(1) monthly benefit payments;

(2) automatic enrollment and data-matching systems;

(3) outreach and notice systems;

(4) dispute resolution;

(5) independent evaluation;

(6) provider reporting quality audits;

(7) system remediation;

(8) accessibility services;

(9) implementation grants or contracts; and

(10) administrative expenses necessary to carry out this Act.

(d) Administrative expense limits.—The administering authority shall, by regulation, establish administrative expense controls that preserve benefit continuity and timely payment.

SEC. 26. ENFORCEMENT AND ADMINISTRATIVE ACCOUNTABILITY.

(a) General enforcement.—The administering authority shall enforce this Act through administrative compliance reviews, provider remediation, correction orders, and appealable determinations.

(b) Provider noncompliance.—A provider that fails to comply with outreach, reporting, or correction obligations may be subject to corrective action, reporting conditions, payment adjustment, or contractual remedies as authorized by law.

(c) Household protections.—Enforcement under this Act shall not be conducted in a manner that increases household burden beyond the limits established in this Act.

(d) Record retention.—The administering authority, schools, preventive-health providers, and contracted vendors shall retain records necessary to demonstrate compliance for the period established by regulation, which shall not be shorter than the period required for evaluation, audit, and appeal.

(e) Corrective action plans.—When the administering authority identifies repeated provider failures, the authority shall require a corrective action plan with deadlines, milestones, and follow-up review.

(f) Public accountability.—The administering authority shall publish aggregate compliance metrics, including payment timeliness, provider outreach compliance, and default-credit rates, in a manner that does not disclose personally identifiable information except as permitted by law.

SEC. 27. TRANSITION; IMPLEMENTATION DEADLINES.

(a) Designation of program office.—Not later than 90 days after the date of enactment of this Act, the responsible executive authority shall designate the administering authority and publish interim implementation guidance.

(b) Data-sharing protocols.—Not later than 120 days after the date of enactment of this Act, the administering authority shall establish data-sharing protocols with schools, preventive-health providers, registry custodians, and payment systems.

(c) Operational rules before payment.—Before the first benefit issuance under this Act, the administering authority shall publish the payment calendar, eligibility thresholds, default-credit rules, dispute procedures, safe-harbor criteria, and notice templates.

(d) System operation.—Not later than 180 days after the date of enactment of this Act, automatic enrollment and monthly payment systems shall be operational.

(e) Interim compliance.—During the period before full operational status is achieved, the administering authority shall use interim procedures that preserve payment continuity, default crediting, and the protected Base floor.

(f) Existing cases.—Cases pending on the date on which this Act becomes effective shall be converted to the procedures of this Act in a manner that preserves the most favorable non-retroactive treatment for the household consistent with law.

(g) Training.—The administering authority shall provide training to staff of the administering authority, schools, preventive-health providers, and contracted vendors concerning the requirements of this Act before enforcement begins.

SEC. 28. SEVERABILITY.

If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the remainder of this Act and the application of the remaining provisions to any person or circumstance shall not be affected.

SEC. 29. EFFECTIVE DATE.

This Act shall take effect on the date of enactment, except that the administering authority may delay any particular administrative requirement only to the extent necessary to complete the transition provisions of section 27, and in no event may the delay be used to suspend the Base floor or to deny default participation crediting once the relevant operational systems are in place.

Analytical Comparison

The generated bill establishes registry-based targeting, payment continuity, education and health participation duties, verification, and monitoring. It captures the Bolsa Familia mechanism of targeted cash support linked to human-capital participation.

12. Case Analysis

Mexico PROGRESA/Oportunidades conditional cash transfer

Case type: historically effective practice.

Historical Legal Regime

PROGRESA, later Oportunidades, was a targeted conditional cash-transfer program for poor households, especially in rural areas. Transfers were conditioned on school attendance, health-clinic visits, and nutrition-related requirements. Incentive amounts could vary by grade, age, and gender to address dropout risk, and the program was designed with rigorous evaluation from the outset.

Normative Request

Design a law to reduce intergenerational poverty in rural low-income communities by increasing school attendance, health visits, and nutrition among children.

Empirical Evidence

IFPRI evaluations found PROGRESA increased school enrollment, improved health visits, and improved nutrition-related indicators among participating households.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Targeted household cash transfers conditioned on school attendance and health clinic visits, larger incentives for higher grades and girls where dropout risk is high, transparent eligibility rules, and randomized or quasi-experimental evaluation.

Generated Bill

A BILL

To establish, in designated rural low-income districts, an automatic no-fee entitlement to school meals, school-linked preventive health visits, and nutrition supplementation for covered children; to require unified service-event administration, non-punitive rebooking, constructive compliance standards, provider liability safe harbors, queue overflow remedies, surge staffing, completion-weighted reimbursement, audit procedures, pilot expansion thresholds, dispute resolution, reporting, relation to existing law, severability, and effective dates; and for other purposes.

Be it enacted by the Senate and House of Representatives of the State of ______________ in General Assembly convened:

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TITLE I—GENERAL PROVISIONS

SEC. 1. SHORT TITLE; PURPOSE; FINDINGS.

(a) Short Title.—This Act may be cited as the "Rural Integrated Child Access Finance and Provider-Resilience Safe-Queue Act" or the "R-ICAF-PRO Act."

(b) Purpose.—The purpose of this Act is to establish, in designated rural low-income districts, a state-funded, no-fee entitlement package for covered children consisting of school meals, school-linked preventive health visits, and nutrition supplementation; to require automatic enrollment based on existing education and public-health registries; to provide unified administration through a Service Event record; to require rebooking and alternative access when service windows are missed; to prevent caregiver fault from being inferred from provider-system variance; to protect providers from adverse action based solely on documentation gaps caused by outages or rural operational conditions; and to improve child attendance, health participation, and nutrition in order to reduce intergenerational poverty.

(c) Findings.—The General Assembly finds and declares all of the following:

(1) Children in rural low-income communities experience higher barriers to school meal access, preventive health care access, and nutrition continuity than children in more densely served areas.

(2) Fragmented enrollment, repeated verification, and disconnected service systems can cause eligible children to lose access to services because of transportation limits, staffing shortages, intermittent connectivity, or other provider-system variance.

(3) Rural service interruptions should not be translated into benefit loss, caregiver sanctions, or provider liability based solely on missing centralized documentation during outages or shortages.

(4) A continuity-based entitlement structure, together with automatic rebooking, alternative access channels, constructive compliance standards, and completion-based accountability, is necessary to maintain service delivery in rural settings.

(5) Coordinated school meal access, preventive health access, and nutrition supplementation are necessary components of a child-support system intended to improve attendance, health participation, and nutritional stability.

(6) The state shall bear the administrative burden of coordinating access for covered children once eligibility is established by registry match.

(d) Construction.—This Act shall be liberally construed to effectuate uninterrupted child access, minimize administrative burden on families and frontline staff, and preserve provider accountability for actual service delivery.

SEC. 2. DEFINITIONS.

As used in this Act:

(a) "Administering agencies" means the Department of Education, the Department of Public Health, the state Medicaid agency or child-health agency if designated under section 4, the state information-technology authority, the state auditor or inspector general, and any local educational agency or local health district participating in the program.

(b) "Alternative access channel" means satellite meal distribution, mobile clinic service, extended clinic hours, school-ground outreach appointment, or any other access mechanism approved by rule under section 24 that is available to provide the covered service when ordinary local queue capacity is exceeded or ordinary local delivery is disrupted.

(c) “Approved evidence channel” means central system logs, paper queue stamps, SMS or telephone outreach logs, community outreach sign-offs by a community health worker, transport manifest acknowledgments, or another evidence method authorized by rule under section 24.

(d) “Caregiver” means a parent, legal guardian, foster parent, kinship caregiver, or other adult person lawfully responsible for the care of a covered child.

(e) “Completion” means, with respect to a meal, the meal was offered and accepted or otherwise delivered as a covered service event under the standards established by rule; and, with respect to a preventive health visit, the visit was completed in person or by another method approved by rule and clinically appropriate for the service.

(f) “Constructive compliance” means compliance established by proof of service-offer actions and related service-event actions within the applicable grace window using any approved evidence channel, notwithstanding the absence of a single audit-ready centralized record during a recorded outage, scarcity event, or documented connectivity failure.

(g) “Covered child” means a child who is enrolled under section 5 or otherwise entitled to services under this Act.

(h) “Designated rural low-income district” means a school district, county, health service area, or other geographic unit designated under section 3 as rural and low-income by objective criteria established by rule.

(i) “Feasible contact attempt” means an outreach action reasonably available to the provider or school at the time of the attempt, including a telephone call, text message, voice message, mailed notice, backpack notice, community health worker visit, school messenger system notice, or another method approved by rule, taking into account language access, disability access, transportation access, and technology availability.

(j) “Grace window” means the period established by rule under section 24 during which a provider may document service-offer actions for a Service Event and still be deemed compliant under section 12.

(k) “Missed-service window” means a scheduled meal, preventive health visit, or nutrition supplementation distribution that was not completed during the scheduled delivery period for a covered child.

(l) “Nutrition supplementation” means state-funded supplemental nutrition distributed separately from school meals, including shelf-stable or age-appropriate supplemental food products, fortified nutrition items, or other supplemental nutrition approved by rule and intended to support nutritional continuity.

(m) “Overflow threshold” means the queue cap or latency threshold established by rule under section 24, the attainment of which requires activation of alternative access and surge response under sections 16 and 17.

(n) “Provider” means a school food service operator, participating school, clinic, community health worker program, preventive health provider, mobile clinic operator, transportation vendor acting as an authorized service contractor, or other entity participating in delivery of services under this Act.

(o) “Provider-system variance” means outage, staffing shortage, connectivity failure, queue delay, supply interruption, scheduling error, or other operational disruption attributable to the service system and not to the covered child or caregiver.

(p) “Rebooking” means the rescheduling, restoration, or reassignment of a missed service window to the next available service opportunity, alternative access channel, or other authorized delivery option without suspension or termination of entitlement.

(q) “Registry match” means a data match between the child’s record in an education registry and a public-health registry, or such other state registry as is designated by rule, sufficient to identify the child as residing in or assigned to a designated rural low-income district.

(r) “Service Event” means a single interoperable record unit used to document meal offered, meal completed, preventive health visit offered, preventive health visit completed, rebooking, resupply, outreach actions, queue placement, and related service administration actions.

(s) “Service-offer actions” means the provider actions necessary to establish that service was offered in fact, including notice, scheduling, queue placement, encounter availability, or related steps established by rule.

(t) “Service system” means the state, local, and contracted administrative and delivery infrastructure used to support this Act.

(u) “State system” means the interoperable digital and paper-enabled infrastructure used to record eligibility, Service Events, evidence channels, outreach, rebooking, reimbursement, audit, and reporting under this Act.

(v) “Surge staffing” means temporary replacement, backfill, mobile staffing, or other additional staffing deployed under section 17 to address overflow or service disruption.

(w) “Transport support” means transportation assistance, travel voucher, shuttle service, school route modification, mobile service access, or another assistance mechanism approved by rule and funded under this Act.

SEC. 3. DESIGNATION OF RURAL LOW-INCOME DISTRICTS.

(a) Designation Required.—The administering agencies shall designate rural low-income districts for purposes of this Act.

(b) Objective Criteria.—The Department of Education and the Department of Public Health, in consultation with the state budget office and state information-technology authority, shall establish by rule objective criteria for designation that shall include all of the following:

(1) rurality, measured by population density, distance to service centers, transportation access, or another objective geographic measure;

(2) child poverty, low-income enrollment, or other objective socioeconomic indicators;

(3) demonstrated barriers to school meal access, preventive health access, or nutrition continuity;

(4) provider scarcity, staffing scarcity, or service latency conditions affecting child service delivery; and

(5) any other objective factor that materially affects service continuity in rural settings.

(c) Publication.—The administering agencies shall publish the list and map of designated rural low-income districts not later than 60 days after the effective date and shall update that list not less frequently than annually.

(d) Interim Designation.—Before final rule adoption, the administering agencies may designate interim districts based on available objective data for pilot implementation under section 22.

(e) No Arbitrary Exclusion.—A district meeting the objective criteria established under subsection (b) shall not be excluded from designation on the basis of administrative convenience, staffing preference, or vendor location.

SEC. 4. ADMINISTRATION; INTERAGENCY RESPONSIBILITIES.

(a) Lead Agencies.—The Department of Education and the Department of Public Health shall jointly administer this Act.

(b) Medicaid or Child-Health Agency Designation.—The Governor may designate the state Medicaid agency or another child-health agency to administer reimbursement for preventive health visits and nutrition supplementation if the Governor determines that such designation will improve service continuity and fiscal administration.

(c) Lead-Agency Duties.—The lead agencies shall—

(1) adopt and implement interagency protocols for eligibility, Service Event administration, rebooking, and reporting;

(2) coordinate funding, procurement, and provider participation agreements;

(3) maintain the unified Service Event record system established under section 7;

(4) ensure that no covered child is denied service because an interagency transfer of data is pending;

(5) provide technical assistance to local education agencies, local health districts, providers, and contractors;

(6) establish standards for alternative access channels, surge staffing, and queue thresholds; and

(7) monitor compliance with this Act and initiate corrective action when required.

(d) State Information-Technology Authority Duties.—The state information-technology authority shall—

(1) design, host, or approve the state system for interoperability, offline capture, synchronization, outage logging, and secure transmission;

(2) establish uptime, backup, synchronization, and cybersecurity standards for all vendors and contractors handling Service Event data;

(3) record system outages, connectivity failures, and delayed synchronization events for purposes of sections 12, 14, and 16; and

(4) provide integration support for existing education and public-health registries.

(e) Auditor Duties.—The state auditor or inspector general shall conduct random completion audits under section 20, review program integrity, and report findings under section 25.

(f) Local Administration.—Each participating local education agency and local health district shall implement this Act in conformity with state rules and guidance and shall designate responsible staff for meal access, preventive-visit coordination, nutrition supplementation, outreach, and data reconciliation.

TITLE II—ELIGIBILITY, ENROLLMENT, AND SERVICE DELIVERY

SEC. 5. AUTOMATIC ENTITLEMENT AND ENROLLMENT.

(a) Automatic Entitlement.—A child matched to a designated rural low-income district through applicable education and public-health registries shall be automatically entitled to coverage under this Act.

(b) No Separate Household Application.—No separate household application, annual application, meal application, or preventive-visit enrollment form shall be required as a condition of initial enrollment where registry match data are available to the administering agencies.

(c) Enrollment Action.—Upon registry match, the administering agencies shall enter the child into the program enrollment file and shall initiate the child's Service Event profile.

(d) Notice.—To the extent contact information is available, the administering agencies shall provide written or electronic notice to the caregiver of enrollment, the services included, the applicable contact channels, and the dispute process under section 23.

(e) Missing Notice Not Disqualifying.—Failure to deliver notice shall not delay, suspend, or terminate the child's entitlement.

(f) Continuity Pending Reconciliation.—If registry match is incomplete or subject to reconciliation, the child shall remain entitled pending correction under section 23.

SEC. 6. CONTINUITY OF COVERAGE.

(a) Continuous Coverage.—Coverage shall continue without lapse during ordinary data reconciliation, technical synchronization, or registry updates.

(b) Verified Change in Eligibility.—The state shall not condition continued enrollment on caregiver re-confirmation absent a verified change in eligibility established by the administering agencies through the dispute and correction process.

(c) Termination Grounds.—Coverage may be terminated only upon one of the following:

(1) verified loss of residency in a designated rural low-income district;

(2) verified age-out, if applicable under rule;

(3) verified duplicate enrollment requiring correction; or

(4) other verified eligibility change established by rule consistent with this Act.

(d) Notice Before Termination.—Before terminating coverage, the administering agencies shall provide notice and an opportunity to dispute under section 23.

(e) No Benefit Interruption for Routine Reconciliation.—Routine reconciliation shall not be used as a basis for interruption, delay, or reduction of meal access, visit access, or nutrition supplementation.

SEC. 7. UNIFIED SERVICE EVENT RECORD.

(a) Single Interoperable Record.—The state shall define a single interoperable Service Event record type.

(b) Required Functions.—The Service Event shall support all of the following:

(1) meal offered;

(2) meal completed;

(3) preventive health visit offered;

(4) preventive health visit completed;

(5) rebooking;

(6) resupply;

(7) outreach actions;

(8) queue placement;

(9) transport support;

(10) outage documentation; and

(11) other service administration functions established by rule.

(c) Use by Participating Providers.—Participating providers shall use the Service Event schema for program administration.

(d) No Duplicate Reporting.—No participating provider shall be required to submit duplicate reports of the same service event to multiple state systems where the Service Event record has been transmitted or entered under an approved channel.

(e) Minimum Data Elements.—The state information-technology authority shall, by rule, establish the minimum data elements for a Service Event, which shall be limited to those necessary to establish eligibility, offer, completion, rebooking, reimbursement, audit, and reporting.

(f) Offline Capture.—The Service Event system shall permit paper, offline digital, or equivalent capture when the state system is delayed, unavailable, or offline.

(g) Synchronization.—Offline or alternative capture records shall be synchronized to the state system within the timeline established by rule and shall be deemed timely if created within the grace window.

(h) Data Integrity.—The state system shall preserve version history, reconciliation history, and outage markers for each Service Event.

SEC. 8. SCHOOL MEAL ENTITLEMENT AND ACCESS.

(a) No-Fee Meal Entitlement.—Participating schools shall provide school meals to each covered child without fee.

(b) Meal Access Not Conditional on Other Services.—A school shall not suspend, delay, reduce, or condition meal access because of missed preventive visits, incomplete preventive-visit documentation, or provider-system variance unrelated to meal delivery.

(c) Same-Day Alternative Meal or Take-Home Option.—When standard meal service is unavailable for a covered child on a service day, the participating school shall offer the child a same-day alternative meal or equivalent take-home option.

(d) Service Event Recording.—Meal offering and completion shall be recorded as Service Events.

(e) No Stigma.—Meal access shall be provided in a manner that does not publicly identify, shame, or stigmatize the covered child.

(f) Meal Continuity During Disruption.—Meal access shall remain available during outages, staffing gaps, queue congestion, delivery delays, or other provider-system variance.

(g) Program Coordination.—The Department of Education shall coordinate with school food service operators to ensure meal delivery schedules, substitution protocols, and take-home options are available at each participating site.

SEC. 9. PREVENTIVE HEALTH VISIT ENTITLEMENT AND ACCESS.

(a) No-Fee Access.—Participating providers shall make preventive health visits available to covered children without fee.

(b) School-Linked Scheduling.—The state shall support school-linked scheduling or equivalent local access for those visits.

(c) Alternative Access.—If a school-linked visit cannot be completed as scheduled, the provider shall offer the next feasible access window, a mobile clinic appointment, a school-based appointment, or another alternative access channel established by rule.

(d) No Conditioning on Payment or Perfect Attendance.—Providers shall not condition access to a preventive health visit on caregiver payment, additional paperwork, prior perfect attendance, or the completion of nonessential forms.

(e) Service Event Recording.—Preventive health visit offering and completion shall be recorded as Service Events.

(f) Missed Visit.—A missed preventive health visit shall trigger rebooking under section 11 and shall not be treated as caregiver fault.

(g) Clinical Standards.—Services under this section shall be age-appropriate preventive services determined by the Department of Public Health by rule and shall comply with applicable licensure and clinical standards.

SEC. 10. NUTRITION SUPPLEMENTATION.

(a) Provision Required.—The state shall provide nutrition supplementation to each covered child according to age-appropriate standards.

(b) No Fee.—Nutrition supplementation shall be delivered without fee.

(c) No Separate Punitive Review.—Nutrition supplementation shall not be conditioned on a separate punitive eligibility review at each distribution.

(d) No Withdrawal for Missed Windows.—Supplementation access shall not be withdrawn because of a missed meal or missed preventive health visit window.

(e) Resupply.—If supplementation is interrupted by provider-system variance, the administering agencies shall provide resupply or replacement through the next feasible delivery mechanism.

(f) Service Event Recording.—Supplementation distribution and resupply shall be tracked through the Service Event record.

(g) State Standards.—The Department of Public Health shall establish by rule age-appropriate supplementation standards, permitted products, distribution schedules, storage requirements, and replacement protocols.

TITLE III—NON-PUNITIVE ACCESS, EVIDENCE, AND LIABILITY

SEC. 11. MISSED-SERVICE RESPONSE AND REBOOKING.

(a) Immediate Rebooking.—If a covered child misses a recorded meal or preventive-health-visit window, the state shall provide immediate rebooking.

(b) Rebooking Components.—Rebooking shall include one or more of the following, as appropriate:

(1) transport support;

(2) resupply;

(3) extended hours access;

(4) alternative access channel placement;

(5) mobile or satellite service scheduling; or

(6) another corrective access measure established by rule.

(c) No Benefit Suspension.—The state shall not suspend, delay, reduce, or terminate benefits because a service window was missed.

(d) No Caregiver Penalties.—The state shall not impose caregiver penalties, reporting burdens, fee assessments, or administrative sanctions for a missed service window.

(e) Priority for Repeated Interruptions.—The system shall prioritize children with repeated interruptions for the earliest available rebooking.

(f) Time to Rebook.—The administering agencies shall establish by rule a maximum rebooking period, which shall not exceed the period necessary to secure the next available ordinary or alternative access slot, except where an outage or emergency requires extension.

(g) Recordation.—Each missed service window and each rebooking action shall be recorded in the Service Event system.

SEC. 12. CONSTRUCTIVE COMPLIANCE AND EVIDENCE RELAXATION.

(a) Constructive Compliance.—A provider shall be treated as compliant if the provider demonstrates real-world service-offer actions within the grace window through any approved evidence channel.

(b) Approved Evidence Channels.—Approved evidence channels shall include:

(1) central system logs;

(2) paper queue stamps;

(3) SMS outreach logs;

(4) telephone outreach logs;

(5) community outreach sign-offs by a community health worker;

(6) transport manifest acknowledgments; and

(7) another channel authorized by rule that reliably shows service-offer actions.

(c) Automatic Relaxation During Outage or Connectivity Failure.—When the state system is delayed, offline, or affected by recorded connectivity failure, the sufficiency of documentation shall be relaxed automatically.

(d) No Log-Perfection Requirement.—No provider shall be denied payment, sanctioned, or subjected to adverse action solely because central logs are missing if another approved evidence channel confirms the service-offer actions.

(e) Grace Window.—The administering agencies shall establish by rule the grace window for submission or synchronization of service-event evidence.

(f) Reasonable Reliance.—Providers may rely on the evidence channel most feasible at the time of service, and such reliance shall satisfy the documentation requirements established under this section if the provider acts in good faith and records the service-offer actions.

(g) Burden of Proof.—In any administrative determination under this section, the provider shall have the initial burden to produce evidence of service-offer actions; the agency may rebut that evidence with contrary proof of intentional falsification, fraud, or failure to make the service offer.

SEC. 13. FEASIBLE CONTACT ATTEMPT RULE.

(a) Sufficient Contact Attempt.—A contact attempt shall be satisfied by outreach through any feasible channel.

(b) Language, Technology, and Reachability Barriers.—Where a phone number, address, language capacity, disability access, or technology access is unavailable or unreliable, the provider may use community health worker outreach, school backpack notice, family messenger notice, home visit, or an equivalent documented method.

(c) Non-Reach Not Caregiver Noncompliance.—Non-reach shall not be treated as caregiver noncompliance.

(d) No Excessive Repeated Attempts.—No provider shall be required to repeat futile contact attempts beyond the number or frequency established by rule as a condition of continued child coverage or provider participation.

(e) Accommodations.—The administering agencies shall ensure that contact methods account for language access, disability access, and rural communications limitations.

(f) Documentation.—Each feasible contact attempt shall be documented in the Service Event record or in an approved evidence channel and synchronized in accordance with rule.

SEC. 14. LIABILITY SAFE HARBOR.

(a) Safe Harbor Established.—No sanction, denial, adverse benefit action, or payment denial shall be imposed solely because central logs are missing during a recorded outage or scarcity event.

(b) Condition for Protection.—Liability protection under this section shall attach when the provider has completed the service-event actions consisting of all of the following:

(1) an offer of the covered service;

(2) at least one feasible contact attempt; and

(3) queuing, rebooking, or another corrective access action.

(c) Preservation of Fraud Remedies.—This section shall not protect intentional falsification, knowing misuse of funds, or deliberate misrepresentation.

(d) Scope.—The safe harbor shall apply to schools, clinics, community health workers, providers, contractors, subcontractors, and other participating entities acting within the scope of this Act.

(e) Adverse Action Review.—Before imposing any adverse action against a provider for documentation defects, the administering agency shall provide written notice, an opportunity to present evidence from an approved evidence channel, and a decision based on the totality of the service-event actions.

(f) Construction.—This section shall be construed broadly in favor of continuity of child services and against sanctions based solely on documentation gaps attributable to provider-system variance.

SEC. 15. PRIVACY, CONFIDENTIALITY, AND DATA SECURITY.

(a) Applicability of Existing Law.—All Service Event records, registry matches, outage logs, and dispute records shall be maintained in compliance with applicable privacy, confidentiality, records-retention, child-welfare, education, public-health, and security laws.

(b) Minimum Necessary Access.—The administering agencies shall limit access to personally identifiable information to personnel with an operational need to administer this Act.

(c) Vendor Security.—Any vendor, contractor, or subcontractor that hosts, transmits, stores, or reconciles Service Event data shall comply with security standards established by rule and shall enter into a data-protection agreement approved by the administering agencies.

(d) Unauthorized Disclosure.—Unauthorized disclosure of covered information shall be subject to applicable disciplinary, civil, and criminal law.

(e) De-Identification for Reporting.—Reports under section 25 shall use aggregated or de-identified information to the maximum extent permitted by law.

TITLE IV—CAPACITY, OVERFLOW, AND SURGE RESPONSE

SEC. 16. ADAPTIVE QUEUE CAPACITY AND ALTERNATIVE ACCESS.

(a) Trigger.—If queue caps are reached or service latency exceeds the state threshold established by rule, the system shall automatically trigger an alternative access channel.

(b) Alternative Access Delivery.—An alternative access channel triggered under this section shall be funded by the state and shall include, as necessary, one or more of the following:

(1) satellite meal distribution day;

(2) mobile clinic day;

(3) extended clinic hours;

(4) school-ground outreach appointment; or

(5) another approved alternative access channel.

(c) Immediate Rebooking.—A child affected by overflow shall be immediately rebooked into the next available alternative access slot.

(d) No Reclassification as Failure.—Overflow delays shall not be reclassified as provider failure.

(e) State Funding Obligation.—The state shall fund the alternative access channel and any related transport support, staffing, or equipment necessary to provide the service.

(f) Local Continuity Plan.—Each participating district and provider shall maintain a continuity plan for overflow events, including local contacts, schedule changes, and transport support arrangements, subject to state approval.

(g) Maximum Delay Standard.—The Department of Education and the Department of Public Health shall establish by rule a maximum permitted delay from ordinary service time to alternative access service time for each service type.

SEC. 17. SURGE STAFFING AND BACKFILL.

(a) Automatic Release.—When overflow or latency thresholds are met, the state shall automatically release surge staffing or backfill from a pre-funded pool.

(b) Funding.—The Department of Finance, budget office, or equivalent authority shall establish and maintain the pre-funded pool required by subsection (a).

(c) Duties During Surge.—During surge, participating providers and agencies shall prioritize direct service delivery, immediate rebooking, and completion verification.

(d) Extended Deadlines.—During surge, reconciliation deadlines shall extend as provided by rule.

(e) Audit Emphasis.—During surge, audit emphasis shall shift to completion verification rather than paperwork reconciliation.

(f) Surge Reporting.—Each surge activation shall be logged in the Service Event system and reported under section 25.

(g) Staffing Standards.—The lead agencies shall establish by rule minimum surge staffing qualifications, deployment procedures, and backfill triggers.

SEC. 18. PROVIDER PARTICIPATION STANDARDS AND CORRECTIVE ACTION.

(a) Participation Agreement.—Each provider participating in this Act shall enter into an agreement with the state setting forth service obligations, data obligations, reimbursement terms, and corrective action procedures.

(b) Corrective Action.—If a provider repeatedly fails to offer services, rebook missed windows, or maintain required alternative access, the administering agency shall issue a corrective action plan.

(c) Plan Contents.—A corrective action plan shall include measurable remedial steps, timelines, responsible personnel, and any necessary training, staffing, or systems remediation.

(d) No Caregiver Penalties.—Corrective action shall be directed to provider operations and shall not impose caregiver penalties.

(e) Suspension of Participation.—The administering agency may suspend or terminate a provider’s participation only for repeated material noncompliance after notice and opportunity to cure, except in cases of fraud, abuse, or imminent risk to child health or safety.

(f) Continuity During Transition.—If a provider’s participation is suspended or terminated, the administering agency shall ensure that affected covered children continue to receive services through an alternative access channel or substitute provider.

TITLE V—PAYMENT, AUDIT, AND INTEGRITY

SEC. 19. PROVIDER REIMBURSEMENT AND COMPLETION-WEIGHTED PAYMENT.

(a) Reimbursement Required.—The state shall reimburse participating providers for covered services delivered under this Act.

(b) Completion-Weighted Formula.—Provider reimbursement shall be weighted to realized completion rates and rebooking timeliness, as established by rule.

(c) Down-Weighting of Unsupported Offers.—Offers that do not convert into completion within the lag window shall be down-weighted according to the reimbursement formula established by rule.

(d) Evidence Requirement.—The state shall not pay solely on the basis of offer claims that are unsupported by an approved evidence channel.

(e) No Penalty for Outage-Related Documentation Gaps.—The reimbursement formula shall not penalize providers for documentation gaps attributable to recorded outages, connectivity failure, or scarcity events where service-event actions occurred and are otherwise evidenced.

(f) Transparency.—The reimbursement formula, including lag windows, weights, exclusions, and reconciliation procedures, shall be published before implementation and updated only through rulemaking.

(g) Separate Accounting.—The state shall maintain separate accounting for meal services, preventive health visits, nutrition supplementation, transport support, surge staffing, and administrative costs.

SEC. 20. RANDOM COMPLETION AUDITS.

(a) Audit Required.—The state auditor or inspector general shall conduct random audits of completed services under this Act.

(b) Audit Scope.—Audit sampling shall assess whether claimed completions occurred and whether rebooking obligations were met.

(c) No Sole Reliance on Offer Metrics.—The audit system shall not rely solely on offer metrics.

(d) Evidence in Audit.—Audits shall permit use of any approved evidence channel and shall not require log perfection as the only acceptable proof where a recorded outage or connectivity failure occurred.

(e) Confidentiality.—Audit procedures shall preserve confidentiality and minimize disruption to service delivery.

(f) Anti-Gaming.—The auditor shall identify patterns of overstatement, duplicate claims, falsification, or other gaming, and shall refer substantiated misconduct to the appropriate enforcement authority.

(g) Aggregate Publication.—Audit results shall be published in aggregate form, except to the extent disclosure of specific information is required for enforcement or by law.

SEC. 21. RECORDS, REPAYMENT, AND ENFORCEMENT.

(a) Record Retention.—The administering agencies and participating providers shall retain records required under this Act for the period established by law or rule, whichever is longer.

(b) Repayment.—The state may recoup overpayments resulting from duplicate billing, fraudulent claims, or materially unsupported claims, subject to notice and opportunity to contest.

(c) No Caregiver Clawback.—No repayment action shall be asserted against a caregiver or covered child based solely on provider-system variance or administrative error.

(d) Referral for Enforcement.—If the administering agencies determine that a provider, contractor, or other person knowingly falsified records or intentionally misused funds, the matter shall be referred to the appropriate civil, administrative, or criminal enforcement authority.

(e) Administrative Remedies.—The administering agencies may impose corrective action, repayment, suspension, termination, or other administrative remedies authorized by law for substantial noncompliance, subject to sections 12, 14, and 18.

(f) Due Process.—Before imposing a material adverse action on a provider, the agency shall provide notice, a statement of reasons, an opportunity to respond, and an appeal process established by rule.

TITLE VI—PILOT, DISPUTES, RULEMAKING, REPORTING, AND MISCELLANEOUS

SEC. 22. PILOT, EXPANSION GATE, AND ROLLOUT LIMITS.

(a) Operational Pilot Required.—Expansion beyond initial sites shall occur only after at least a 90-day operational pilot.

(b) Pilot Metrics.—The pilot shall evaluate, at a minimum, all of the following:

(1) missed-service shortages attributable to provider-system failure;

(2) completed meal services;

(3) completed preventive health visits;

(4) nutrition supplementation continuity;

(5) rebooking timeliness;

(6) alternative access utilization;

(7) caregiver-contact escalation, if tracked; and

(8) provider-system outage frequency and duration.

(c) Published Thresholds.—The administering agencies shall publish threshold criteria for pilot success before the pilot begins.

(d) Expansion Certification.—Expansion beyond initial sites may occur only if the administering agencies certify in writing that the pilot satisfied the published thresholds for missed-service shortages attributable to provider-system failure and, if tracked, caregiver-contact escalation.

(e) No Reduction of Existing Coverage.—Pilot evaluation shall not be used to reduce coverage, interrupt services, or narrow eligibility for children already enrolled.

(f) Rollout Phases.—The administering agencies may phase rollout by district, provider type, age group, or other objective criteria, provided that such phasing does not create unlawful service discontinuity.

SEC. 23. FAMILY DISPUTE CHANNEL AND CORRECTION OF RECORDS.

(a) Single Registry Dispute Channel.—The state shall maintain a single registry dispute channel for families.

(b) Filing Methods.—The dispute channel shall accept submissions in person, by mail, and by accessible digital means.

(c) Decision Deadline.—The agency shall decide a dispute within 30 days after receipt unless the agency extends the deadline for good cause by written notice identifying the reason for extension and the new decision date.

(d) Interim Protection.—During the dispute period, no interruption, reduction, or threatened interruption based on the challenged record shall take effect.

(e) Correction of Records.—If a record is corrected, the agency shall update all associated eligibility, Service Event, reimbursement, and notice records as necessary to conform to the correction.

(f) No Retroactive Clawbacks Against Family.—Corrected records shall restore any mistakenly threatened interruption without retroactive clawbacks against the family.

(g) Notice of Outcome.—The agency shall provide written notice to the family of the dispute outcome, any record correction, and any further administrative review available under law.

(h) Assistance.—The agency shall make reasonable assistance available for language access, disability access, and completion of dispute forms.

SEC. 24. RULEMAKING; STANDARDS; TECHNICAL ADMINISTRATION.

(a) Rulemaking Authority.—The administering agencies shall adopt rules to implement this Act.

(b) Required Topics.—Rules shall address all of the following:

(1) interoperability standards;

(2) evidence channels;

(3) outage documentation;

(4) queue thresholds and overflow triggers;

(5) rebooking timelines;

(6) grace windows;

(7) audit sampling methods;

(8) alternative access channel criteria;

(9) surge staffing deployment;

(10) reimbursement formula;

(11) dispute procedures;

(12) data-retention requirements; and

(13) accessibility and language access requirements.

(c) Limits on Rulemaking.—Rules shall not authorize benefit suspension for missed service windows caused by provider-system variance.

(d) Documentation Standard Limit.—Rules shall not require caregiver documentation perfection as a condition of access.

(e) Preservation of Statutory Protections.—Rules shall preserve constructive compliance, the feasible contact attempt rule, the liability safe harbor, the non-punitive rebooking requirement, and the alternative access obligations established by this Act.

(f) Notice and Comment.—Proposed rules shall be published for public comment before adoption unless emergency rulemaking is required to prevent interruption of child services.

(g) Technical Updates.—The agencies may update technical standards as needed to maintain functioning data exchange, accessibility, and service continuity, provided that any material change affecting rights or obligations is adopted by rule.

SEC. 25. REPORTING, TRANSPARENCY, AND EVALUATION.

(a) Required Reports.—The administering agencies shall report all of the following:

(1) meal continuity;

(2) preventive-health-visit completion;

(3) nutrition supplementation delivery;

(4) missed-service rates;

(5) queue latency;

(6) overflow frequency;

(7) rebooking timeliness;

(8) outage duration;

(9) dispute volume and resolution times; and

(10) audit findings.

(b) Distinction Among Causes.—Reports shall distinguish provider-system failure from access failure and from voluntary nonuse where that can be lawfully determined.

(c) Frequency.—Reports shall be published at least annually and more frequently if required by rule.

(d) Form of Report.—Reports shall be published in aggregated form and transmitted to the Governor, the legislature, the state auditor, and the public in a format accessible to the general public.

(e) Corrective-Action Plan.—Each report shall include a corrective-action plan for any district or provider category exhibiting persistent service disruption, excessive queue latency, repeated missed-service windows, or repeated outage-related documentation gaps.

(f) Evaluation Measures.—Evaluation shall include measures of attendance continuity, health-visit participation, nutrition continuity, provider-system downtime, and program burden on schools, clinics, and families.

(g) Public Hearings.—The legislature or the administering agencies may conduct public hearings on annual reports and corrective-action plans.

SEC. 26. RELATION TO EXISTING LAW.

(a) Supplementary Construction.—This Act shall be construed to supplement existing child nutrition, public-health, education, child-welfare, procurement, privacy, confidentiality, and records-retention laws.

(b) Conflict Rule.—If a conflict arises between this Act and another provision of state law, the more protective child-access rule shall govern to the extent consistent with federal law.

(c) Confidentiality Preservation.—Existing confidentiality and privacy laws shall continue to apply except as expressly modified for Service Event administration under this Act.

(d) No Implied Caregiver Sanctions.—No existing law shall be read to require caregiver sanctions, benefit suspensions, or documentation barriers where this Act forbids them.

(e) Conforming Changes.—The administering agencies shall identify conforming statutory, regulatory, and administrative changes needed to implement this Act and shall submit recommended technical amendments to the legislature as soon as practicable.

(f) Federal Compliance.—Nothing in this Act shall be construed to require conduct that would violate applicable federal law or a condition of federal funding.

SEC. 27. APPROPRIATIONS; FUNDING; FISCAL ADMINISTRATION.

(a) Appropriation Authorized.—There is appropriated from the General Fund, or from any other fund legally available for the purpose, such sums as are necessary to carry out this Act.

(b) Permitted Uses.—Funds appropriated under subsection (a) may be used for all of the following:

(1) school meals;

(2) preventive health visits;

(3) nutrition supplementation;

(4) transport support;

(5) alternative access channels;

(6) surge staffing and backfill;

(7) state system development, operation, and maintenance;

(8) outreach and language-access services;

(9) dispute resolution;

(10) audits and enforcement;

(11) training and technical assistance; and

(12) any other cost directly related to implementation of this Act.

(c) Separate Line Items.—The budget office shall, to the extent practicable, identify separate line items for service delivery, technology, staffing, transport support, and administrative oversight.

(d) Federal Funds.—The administering agencies may seek, accept, and administer federal funds, grants, waivers, reimbursements, and matching funds consistent with state and federal law, provided that acceptance of such funds does not reduce the state's obligations under this Act.

(e) No Supplantation of Entitlement.—Funds appropriated under this Act shall supplement and not replace any existing funding source needed to maintain school meals or child health access, unless a specific appropriation law expressly provides otherwise.

(f) Budget Reporting.—The budget office shall report annually on expenditures, projected needs, and any funding shortfalls affecting service continuity.

SEC. 28. SEVERABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of the remaining provisions to any person or circumstance shall not be affected and shall continue in full force and effect.

SEC. 29. EFFECTIVE DATE; TRANSITION; IMPLEMENTATION SCHEDULE.

(a) Effective Date.—This Act shall take effect on the date specified by the legislature, except as otherwise provided in this section.

(b) Immediate Preparatory Authority.—Upon enactment, the administering agencies may begin preparatory rulemaking, procurement, contracting, system integration, interagency data-sharing agreements, pilot-site selection, and staffing actions necessary to implement this Act.

(c) Rulemaking Timeline.—Not later than 60 days after enactment, the administering agencies shall publish draft rules for eligibility, Service Event records, evidence channels, queue thresholds, rebooking procedures, dispute procedures, and reporting requirements.

(d) District Designation Timeline.—Not later than 90 days after enactment, the administering agencies shall complete initial district designation criteria and identify pilot districts.

(e) Registry Mapping Timeline.—Not later than 120 days after enactment, the administering agencies shall complete registry mapping specifications and begin integration testing.

(f) Pilot Commencement.—Not later than 180 days after enactment, pilot sites shall begin operations if readiness certifications are issued.

(g) Surge and Alternative Access Readiness.—Surge staffing and alternative access capacity shall be funded and operational by the time pilot service begins.

(h) Expansion After Pilot.—After at least 90 days of pilot operations, expansion beyond initial sites may occur only upon certification under section 22.

(i) Transition for Existing Services.—During the transition period, existing child meal, child health, and nutrition services shall continue and shall not be reduced because of implementation of this Act.

(j) Interim Protections.—Before full operational implementation, no child identified as eligible under preliminary registry mapping shall be denied access to meals, preventive-health scheduling support, or nutrition supplementation solely because the final state system has not been fully synchronized.

(k) Administrative Deadlines.—The administering agencies shall complete all implementation milestones in accordance with the schedule required by this section and shall report any delay, the cause of delay, and the corrective action to be taken under section 25.

(l) Training.—Before the pilot commences, the lead agencies shall provide training to participating providers and local administrators on Service Event use, constructive compliance, feasible contact attempts, outage documentation, rebooking, alternative access channels, and dispute procedures.

Passed the House of Representatives ____________, 20__.

Passed the Senate ____________, 20__.

Approved ____________, 20__.

____

Speaker of the House of Representatives

____

President of the Senate

____

Governor

Analytical Comparison

The generated bill includes registry eligibility, child access guarantees, school and health-service links, overflow safeguards, and evaluation. It captures several PROGRESA features, though its service-entitlement emphasis is less directly a classic differentiated cash-transfer incentive design.

13. Case Analysis

Smoke-free workplace and public-place laws

Case type: historically effective practice.

Historical Legal Regime

Comprehensive smoke-free workplace and public-place laws prohibit smoking in enclosed workplaces, restaurants, bars, and other indoor public spaces. Operators have duties regarding signage, prevention of indoor smoking, cooperation with inspections, and penalties. The effective version of the regime minimizes exemptions, imposes mandatory duties on premises operators, and uses the ban itself as the main exposure-reduction instrument.

Normative Request

Design a public-health law to reduce exposure to secondhand smoke in workplaces, restaurants, bars, and public indoor spaces while creating clear duties for premises operators and administrable enforcement.

Empirical Evidence

Surgeon General and public-health reviews associate comprehensive smoke-free laws with reduced secondhand smoke exposure and reductions in acute coronary events.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Comprehensive indoor smoke-free rules, clear coverage of workplaces and hospitality venues, operator duties, signage, inspection and penalty rules, cessation support, and monitoring of secondhand smoke exposure and acute health outcomes.

Generated Bill

A BILL

To reduce involuntary exposure to secondhand smoke in workplaces, restaurants, bars, and other public indoor spaces by requiring a current Secondhand Smoke Safety Certification as a condition of indoor smoking; to establish operator duties respecting certification, disclosure, accommodation, recordkeeping, remediation, staging, review, and enforcement; and to provide related civil penalties, administrative remedies, rulemaking, and transition provisions.

Be it enacted by the Legislature of the State of [STATE]:

SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.

(a) Short title. This Act shall be known and may be cited as the “Secondhand Smoke Safety Certification and Customer Exit-Protection Act”.

(b) Findings. The legislature shall find that involuntary exposure to secondhand smoke in covered indoor areas is a preventable public-health hazard.

(c) Purpose. The Act shall be construed to reduce secondhand smoke exposure in workplaces, restaurants, bars, and other public indoor spaces through certification, disclosure, and operator accountability.

(d) Remedial construction. This Act shall be liberally construed to effectuate its public-health purposes and to prevent evasion through labels, partitions, staffing practices, corporate form, lease structure, temporary arrangements, or informal discretion.

(e) Use of findings. Findings in this section may be used in the interpretation, administration, enforcement, and judicial review of this Act and any rule adopted under it.

(f) No diminution. This Act shall not be construed to diminish any protection from secondhand smoke afforded by other law, ordinance, code, rule, permit condition, license term, or common-law doctrine.

SECTION 2. DEFINITIONS; APPLICABILITY AND COVERED PREMISES.

(a) Definitions. As used in this Act, unless the context clearly requires otherwise:

(1) “Administering authority” means the public health agency, health department, or other agency designated by law to administer, inspect, enforce, and issue rules under this Act, and includes any local health department or delegated enforcement body acting within its lawful jurisdiction.

(2) “Aggregated accommodation log” means a record maintained in counts or summaries only, without personal identifiers unless another law requires such information, of relocation requests, exit-assistance requests, safe-seating requests, related responses, and associated operational outcomes.

(3) “Air-mixing barrier package” means the ventilation, air-handling, ducting, return, exhaust, pressure-control, separation, and leakage-control configuration used to demonstrate compliance with the technical standards of this Act.

(4) “Airflow directionality” means the direction of air movement within a covered premises, including between smoking sources, returns, patron contact zones, and exhaust pathways, as verified by objective testing.

(5) “Active” or “SSSC-ACTIVE” means that a Secondhand Smoke Safety Certification issued for the premises is current, valid, unexpired, and not suspended, revoked, void, or otherwise invalid.

(6) “Barrier pathway” or “cross-zone leakage pathway” means any door gap, duct connection, shared return, open aperture, transfer path, service hatch, unsealed opening, or other route that materially permits smoke migration from a smoking source area into a patron contact area.

(7) “Bar” means an establishment or portion of an establishment in which alcoholic beverages are sold or served for consumption on the premises, whether or not food is also served.

(8) “Certified” means having current Secondhand Smoke Safety Certification status.

(9) “Certification integrity” or “testing integrity” means the validity of the certification process, testing process, chain of custody, instrument calibration, report completeness, and absence of tampering, falsification, suppression, material omission, or unauthorized alteration.

(10) “Covered indoor area” means any enclosed or substantially enclosed indoor space within a covered premises that is open to patrons, customers, clients, invitees, employees, or members of the public, including patron contact areas, waiting areas, service areas, bar areas, queue areas, circulation areas, employee work areas open to shared indoor air, and any area physically or functionally integrated with the public indoor area.

(11) “Covered premises” means any workplace, restaurant, bar, or other public indoor space open to patrons, customers, clients, invitees, employees, or members of the public, and includes any portion of such premises containing a covered indoor area.

(12) “Customer Exit-Protection” or “exit assistance” means the operator duty to provide prompt relocation to a non-smoking area, safe seating, removal from exposure, take-out assistance where applicable, or other reasonable movement assistance designed to reduce involuntary exposure while service continues to the extent lawful and practicable.

(13) “Expired” or “SSSC-EXPIRED” means that a certification has lapsed by time, has not been renewed, has failed inspection, has become invalid, or must be treated as not active under this Act.

(14) “Fail-closed” means an automatic operational response that disables indoor smoking permission or requires cessation of smoking when a certification condition, technical condition, or disclosure condition fails, as required by this Act or rule.

(15) “Invalid” means void, suspended, revoked, compromised, falsified, materially incomplete, unsupported by valid test evidence, or otherwise not legally effective for authorizing indoor smoking under this Act.

(16) “Material modification” means any change to ventilation, barriers, returns, ducts, doors, openings, exhaust, controls, occupancy configuration, or related systems that may affect certification status or technical performance.

(17) “No-Wait Buffer” means the area immediately outside a licensed smoking room or designated indoor smoking zone, if any, or any similarly defined queue-free boundary area established by rule or approval, in which congregation, ordering, or waiting is restricted as required by law.

(18) “Operator” means a person, firm, corporation, partnership, association, owner, licensee, tenant, lessee, franchisee, manager, or other person with legal or practical control over a covered premises, or over the operation, staffing, ventilation, posting, certification, or smoking policy of the premises.

(19) “Patron contact area” means any seating area, service area, waiting area, queue area, ordering counter, counter-service area, bar service area, circulation area, or other area where patrons, customers, clients, invitees, or employees are intended to be present and where shared indoor air is used.

(20) “Public indoor area” means the whole indoor area of a covered premises open to patrons, customers, clients, invitees, employees, or the public, except any area expressly excluded by another law and not used as a public indoor area.

(21) “Safe seating” means a predesignated seating location, patron contact area, or equivalent area within the certified layout where a patron may be relocated to reduce secondhand smoke exposure while remaining within lawful service access.

(22) “Smoking” means inhaling, exhaling, burning, carrying, holding, or using any lighted or heated tobacco product, combustible tobacco product, cigarette, cigar, pipe, herbal smoking product, or other combustible smoking material as defined by rule or other law, and includes any conduct prohibited as smoking by applicable law.

(23) “Smoking-state disclosure” means the visible entry posting, status notice, route map, symbol, or other public-facing disclosure required by this Act to identify whether SSSC status is ACTIVE or EXPIRED and to identify where smoking may occur, if certified, and where it is prohibited.

(24) “Secondhand Smoke Safety Certification” or “SSSC” means the certification issued by the administering authority under this Act for the whole public indoor area of a covered premises, based on compliance with the technical standards, testing requirements, disclosure requirements, and any related conditions imposed by this Act or rule.

(25) “Third-party tester” means a person or entity accepted or qualified by the administering authority to perform testing, inspection, verification, or recertification under this Act.

(26) “Workplace” means any indoor or enclosed place of employment where one or more persons perform work for hire, compensation, profit, or other consideration, whether full-time, part-time, temporary, seasonal, contractual, or volunteer as defined by applicable law.

(b) Applicability. Smoking shall be prohibited in every covered indoor area unless the premises holds a current SSSC.

(c) Covered premises. A covered premises shall include any workplace, restaurant, bar, or other public indoor space open to patrons, customers, clients, invitees, or employees.

(d) Whole-area treatment. If a premises contains one or more covered indoor areas, the obligations of this Act shall apply to the whole public indoor area of the premises, except as otherwise expressly provided by law.

(e) Operator responsibility. An operator shall be responsible for compliance in all covered indoor areas under the operator’s legal or practical control.

(f) No unauthorized smoking exception. An operator shall not create, label, advertise, administer, or maintain an indoor smoking exception except as expressly authorized by this Act or another law that expressly supersedes this Act.

(g) Broad interpretation. Coverage shall be interpreted broadly to prevent evasion through room designations, member-only labels, temporary partitions, event staffing arrangements, lease allocations, or operational devices that fragment or disguise the covered indoor area.

(h) Relationship to other protection. Nothing in this section shall be construed to limit stronger smoke-free rules applicable to any specific place or activity.

SECTION 3. DEFAULT INDOOR SMOKING PROHIBITION.

(a) Default ban. No person shall smoke indoors in a covered premises unless the premises holds a current SSSC.

(b) Operator prohibition. No operator shall permit indoor smoking in any covered indoor area unless the SSSC is active and unexpired.

(c) Immediate stop duty. An operator shall stop indoor smoking immediately when the premises is required to be treated as SSSC-expired or invalid under this Act.

(d) Individual prohibition. No person shall smoke indoors in violation of this Act.

(e) Construction against evasion. A person may not evade this section by redesignating a covered indoor area as a lounge, club area, private area, hospitality zone, temporary area, smoking space, or any similar label if the area remains a covered indoor area.

(f) Additional applicability. This section shall apply in addition to any other law that prohibits smoking indoors or in any specified place.

(g) Enforcement predicate. Any observed indoor smoking in a covered indoor area without current certification shall constitute a basis for enforcement against the operator and the smoker as provided by law.

(h) Nondelegation of duty. An operator may not delegate away responsibility for compliance with this section by contract, staffing arrangement, franchise policy, or lease term.

SECTION 4. SECONDHAND SMOKE SAFETY CERTIFICATION CREATED.

(a) Program established. The administering authority shall establish and administer the Secondhand Smoke Safety Certification program for covered premises.

(b) Whole-area certification. A certification shall apply to the whole public indoor area of the premises and shall not be limited to a designated smoking room exception.

(c) Issuance standard. The administering authority shall issue SSSC only upon a showing that the premises satisfies the technical standards established by this Act and any lawful rules adopted under it.

(d) Minimum contents of application. An operator seeking certification shall file an application on a form prescribed by the administering authority and shall include, at a minimum:

(1) identification of the premises and operator;

(2) the physical address, capacity, floor plan, and operating schedule of the premises;

(3) a floor plan or equivalent layout of the public indoor area;

(4) ventilation and air-handling documentation required by this Act;

(5) the required third-party test report;

(6) any test chain-of-custody documentation required by rule;

(7) any material modification disclosures required by this Act or rule; and

(8) any additional information required by rule to evaluate compliance.

(e) Issuance or denial. The administering authority shall approve or deny an application within the time established by rule. If the application is denied, the administering authority shall provide written reasons and shall identify the deficiency or deficiencies that must be corrected before resubmission.

(f) Non-transferability. A certification shall be issued to the covered premises and shall not be transferred to another premises, another operator, or another configuration not approved under this Act.

(g) Suspension and revocation. The administering authority may suspend or revoke a certification for material noncompliance, false statements, tampering, loss of required technical standards, repeated violations, or any other ground established by this Act or by rule.

(h) Administrative status records. The administering authority shall maintain a current record of each certification’s status as active, expired, suspended, revoked, invalid, void, or pending.

(i) Presumption of noncertification. If the operator cannot produce a current active certification upon lawful request, the premises shall be treated as uncertified for purposes of this Act until the certification status is verified by the administering authority.

(j) Condition of operation. If the premises is certified under this Act, the operator shall maintain compliance continuously for the term of the certification and shall ensure that the certification remains valid as a condition of any indoor smoking authorization.

(k) Public registry. The administering authority may maintain a public registry of current certification status, expiration date, suspension, revocation, and other public status information authorized by law.

SECTION 5. TECHNICAL STANDARDS FOR CERTIFICATION.

(a) Air-mixing barrier package. An operator shall maintain an air-mixing barrier package that provides mechanically separated air-handling zones between smoking sources and patron contact air returns.

(b) Outdoor-air and dilution performance. An operator shall maintain verified minimum outdoor-air fraction or equivalent dilution performance in patron contact zones.

(c) Airflow directionality. An operator shall maintain airflow directionality so that smoke-source exhaust does not feed patron contact returns.

(d) Cross-zone leakage. An operator shall maintain the absence of cross-zone leakage pathways that materially allow smoke migration into patron contact areas.

(e) Measurement criteria. The administering authority shall adopt technical criteria describing:

(1) acceptable measurement methods;

(2) minimum performance thresholds;

(3) acceptable uncertainty bands;

(4) calibration requirements;

(5) chain-of-custody requirements;

(6) the conditions under which a material modification requires new testing; and

(7) the documentation required to establish the absence of unacceptable leakage pathways.

(f) Material modifications. An operator shall notify the administering authority before any material modification to ventilation, barriers, returns, ducts, doors, openings, or air-handling controls that may affect certification status.

(g) No subjective substitute. Technical compliance shall be established by objective measurement and documented testing and shall not be established by signage alone, employee testimony alone, operator assurance alone, or patron perception alone.

(h) Door and passage protection. If a doorway, hatch, service opening, transfer passage, shared return, or other boundary feature may affect compliance, the operator shall control such feature in a manner that preserves the required airflow directionality and cross-zone leakage limits.

(i) Presumption from failure. If a required technical standard is not satisfied, the premises shall not be certified or shall be treated as noncertified, as applicable.

(j) Equivalent performance. A rule may allow an equivalent measured performance method only if the method is at least as protective as the standards stated in this section and is supported by objective testing.

(k) Testing scope. The technical standards shall include, at a minimum, the smoking source area, all patron contact areas, all returns and ducts serving shared indoor air, all entries and exits affecting smoke migration, and any boundary condition identified by rule or test protocol.

(l) Worst-case conditions. The administering authority shall require that testing protocols evaluate worst-case or representative operating conditions sufficient to demonstrate actual performance under normal business use, including door openings, occupancy conditions, and operational states specified by rule.

SECTION 6. THIRD-PARTY TESTING AND RECERTIFICATION.

(a) Initial testing deadline. Within 120 days after enactment, the operator shall obtain an initial SSSC through regulator-accepted third-party testing.

(b) Recertification deadline. After the initial certification, the operator shall renew SSSC every 12 months.

(c) Test scope. The third-party test shall evaluate:

(1) airflow directionality;

(2) dilution or outdoor-air performance; and

(3) absence of cross-zone leakage pathways.

(d) Test report. The third-party tester shall produce a written report setting forth the methods used, the results obtained, the calibration information, the chain-of-custody information, the identity of the tester, any limitations or deviations, the operating conditions tested, and the conclusions as to compliance.

(e) Submission. The operator shall submit the test report to the administering authority within the time required by rule or, if no rule specifies a time, not later than 10 business days after receipt.

(f) Tester qualification. The administering authority shall maintain standards for acceptable third-party testers, including independence, training, competence, documentation requirements, and any conflict-of-interest restrictions established by rule.

(g) Access. The operator shall provide reasonable access to the premises, systems, records, and staff necessary for lawful testing.

(h) Record retention. The operator shall retain each test report, supporting documentation, calibration records, chain-of-custody record, ventilation map, and related materials for the period required by rule or law.

(i) Failure to test. Failure to obtain an initial test or renewal test within the time required by this Act shall cause the premises to be treated as SSSC-expired.

(j) Reinspection after modification. If a material modification is made to the ventilation, barrier, door, or air-handling configuration, the operator shall obtain any additional testing required by rule before relying on the certification for indoor smoking authorization.

(k) Recurrent testing. The administering authority may require supplemental testing after a material modification, after an enforcement action, after a failed inspection, or upon reasonable cause to believe that the technical standards are no longer satisfied.

(l) Chain of custody. Test samples, instruments, logs, readings, and other evidence used in the certification process shall be maintained under a chain of custody sufficient to establish integrity under rule.

SECTION 7. CERTIFICATION VALIDITY; EXPIRATION; INVALIDITY.

(a) Active status. The operator shall treat the premises as SSSC-active only while the certification is current and valid.

(b) Expiration. If certification expires, the operator shall treat the premises as SSSC-expired immediately.

(c) Inspection failure. If certification fails inspection, the operator shall treat the premises as SSSC-expired immediately unless the administering authority expressly authorizes continued operation under a written corrective order that is consistent with this Act.

(d) Integrity compromise. If testing integrity is compromised, the operator shall treat the premises as SSSC-expired immediately.

(e) Immediate prohibition. The operator shall prohibit all indoor smoking immediately upon expiration, invalidity, suspension, revocation, void status, or compromise of testing integrity.

(f) Reliance prohibited. An operator shall not rely on an expired, suspended, revoked, void, incomplete, or integrity-compromised certification or test report to permit indoor smoking.

(g) Resumption. Indoor smoking may resume only after the certification is restored to active status and the operator posts the smoking-state disclosure required by this Act.

(h) Deemed notice. For purposes of this Act, the operator shall be deemed to have notice of the expiration date and renewal requirements of any certification issued for the premises.

(i) Automatic rollback. A premises shall be deemed to have entered SSSC-expired status at the moment a required condition fails under this section, without the need for a separate notice, if the operator knows or reasonably should know of the failure.

(j) Burden of verification. If a certification status dispute arises, the operator shall have the burden of producing the current valid certification and any required supporting records in the manner required by law or rule.

(k) No grandfathered reliance. Prior practices, prior approvals, prior room designations, prior informal permissions, or prior enforcement discretion shall not be construed to continue indoor smoking authority after the certification becomes expired or invalid.

SECTION 8. SMOKING-STATE DISCLOSURE AND PATRON NOTICE.

(a) Entry disclosure. The operator shall maintain visible entry disclosure stating whether SSSC is ACTIVE or EXPIRED.

(b) Route map. The operator shall post a simple route map identifying where smoking may occur if certified and where smoking is prohibited in patron contact zones.

(c) Legibility. The operator shall keep the disclosure legible, conspicuous, unobstructed, and continuously displayed during business hours or when the premises is open to the public.

(d) Location. The disclosure shall be posted at each principal public entrance, or, if the premises has multiple public entrances, at each entrance used by patrons or employees.

(e) Update duty. The operator shall update the disclosure promptly when certification status changes.

(f) Standard format. The administering authority shall prescribe minimum size, location, symbol, language, and formatting requirements for the disclosure.

(g) Misleading statements prohibited. The operator shall not post, publish, or communicate a statement regarding certification status that is false or misleading.

(h) Inspection availability. The operator shall make the disclosure available for inspection and shall keep a copy of any required route map with the premises records.

(i) Active-status clarity. If certification is active, the disclosure shall indicate the date of expiration, renewal due date, or other status element required by rule so that patrons and inspectors can determine the present legal status.

(j) Temporary closure notice. If the premises is required to cease indoor smoking due to expiration, invalidity, or suspension, the operator shall promptly update the posting to indicate SSSC-EXPIRED or another status authorized by rule.

(k) Language access. The administering authority may require disclosure in additional languages, symbols, or accessible formats if necessary for public comprehension and lawful enforcement.

SECTION 9. CUSTOMER EXIT-PROTECTION AND SAFE SEATING DUTY.

(a) No repeated narrowing of access. When a patron reports secondhand smoke discomfort or requests non-exposure accommodation, the operator shall not repeatedly narrow access through ad hoc denial.

(b) Safe seating. If certification is active, the operator shall offer an immediate safe seating area or equivalent patron contact area within the certified layout.

(c) Nonactive certification. If certification is not active, the operator shall promptly:

(1) move the patron to a non-smoking area, if one is available and lawful for use;

(2) stop indoor smoking in the response area; and

(3) provide exit assistance or take-out assistance, as applicable to the premises and the patron’s requested service.

(d) Service continuity. The operator shall continue service to the patron during the time reasonably necessary to complete relocation or exit assistance, subject to safety, capacity, and lawful operational limits.

(e) No proof requirement. The operator shall not require the patron to prove exposure through confrontation, repeated complaint, or physical verification before providing accommodation under this section.

(f) Nonretaliation. The operator shall not retaliate against a patron for requesting accommodation under this section.

(g) Staff duty. The operator shall ensure that staff are trained to carry out the duties in this section.

(h) Minimum response time. The administering authority shall establish by rule a maximum response time for relocation or exit assistance that is consistent with the duty to respond promptly under this section.

(i) Patron communication. Upon a patron’s request or complaint, staff shall communicate in plain language whether the premises is SSSC-active and what accommodation is available.

(j) Immediate correction. If certification is not active, the operator shall initiate immediate correction by stopping indoor smoking in the affected area and moving the patron away from exposure without requiring the patron to remain in the smoke-affected area.

(k) Access to service. The operator shall not deny lawful service to a patron solely because the patron requests relocation, exit assistance, or smoke-free accommodation under this section, except as required by safety, lawful capacity limits, or another applicable law.

(l) Training content. Staff training under this section shall include the smoking-state disclosure, safe-seating procedures, stop-smoking response, and escalation contacts for compliance incidents.

SECTION 10. AGGREGATED ACCOMMODATION LOG AND REMEDIATION.

(a) Log required. The operator shall maintain an aggregated accommodation log recording counts of relocation requests, exit-assistance requests, safe-seating requests, and related responses.

(b) No personal identifiers. The log shall not include personal identifiers unless another law requires such information.

(c) Retention. The operator shall retain the log for the period required by rule or law.

(d) Inspection. The operator shall submit or produce the log for inspection upon lawful request of the administering authority.

(e) Form and interval. The administering authority shall prescribe the form of the log and the reporting interval, if any.

(f) Systemic failure. If the administering authority finds systematic failure to provide relocation or exit assistance across accommodation requests, the operator shall submit a remediation plan within 30 days after notice of the finding.

(g) Remediation contents. A remediation plan shall identify the operational failure, the corrective measures to be taken, the staff training or redesign required, the date by which the operator will complete implementation, and any follow-up verification required.

(h) Review of remediation. The administering authority may require documentation showing completion of the remediation plan and may re-inspect the premises to verify compliance.

(i) No patron-identifying use. The aggregated accommodation log shall not be used as a patron-identifying surveillance tool and shall be limited to compliance, evaluation, and remediation purposes unless another law requires otherwise.

(j) Aggregation standard. The log shall be maintained in a format that allows the administering authority to assess systemic barriers without disclosing individual patron identities, contact information, or private complaint narratives unless otherwise required by law.

(k) Failure to keep log. Failure to maintain or produce the aggregated accommodation log required by this section shall constitute a separate violation subject to enforcement under this Act.

SECTION 11. ENFORCEMENT PREDICATES AND INSPECTION AUTHORITY.

(a) Primary enforcement predicates. The administering authority shall use certification status, test report validity and integrity, and disclosure compliance as the primary enforcement predicates under this Act.

(b) Inspection authority. The operator shall make the SSSC record, test report, and required postings available for inspection as lawfully requested.

(c) No obstruction. The operator shall not obstruct inspection of certification records or disclosure postings.

(d) Lawful access. The administering authority may inspect a covered premises during reasonable business hours or at another lawful time to verify certification and disclosure.

(e) Record production. The administering authority may require production of supporting documentation for current status, renewal, invalidity, or remediation determinations.

(f) Inspection of logs. The administering authority may inspect the aggregated accommodation log and related records to evaluate compliance with sections 9 and 10.

(g) Separate violation. Refusal to allow review of required records or postings shall be a separate violation of this Act.

(h) Focus of enforcement. Enforcement shall not depend solely on subjective judgments about whether an individual was smoking enough to justify action, and the absence of such subjective proof shall not bar enforcement where certification status or disclosure status is noncompliant.

(i) Inspection records. The administering authority shall document the date, time, scope, and result of any inspection in accordance with law.

(j) Assistance during inspection. The operator shall provide reasonable on-site assistance to enable inspection of required status postings, records, and accessible certification documents.

(k) No interference. The operator shall not alter the premises during inspection for the purpose of concealing a violation, except as necessary for ordinary business operations and safety.

(l) Electronic access. The administering authority may allow or require electronic submission or portal access for certification, recertification, record inspection, or public status display to the extent permitted by law.

SECTION 12. GRADUATED SANCTIONS AND CIVIL PENALTIES.

(a) Tier 1: cure notice. A minor disclosure defect shall be subject to a cure notice and an opportunity to correct within the period set by rule or notice.

(b) Tier 2: civil penalty. Allowing any indoor smoking while SSSC is expired or invalid shall be subject to a civil penalty.

(c) Tier 3: enhanced penalties. Repeated certification invalidity, repeated failure to renew, or tampering with certification integrity shall be subject to enhanced penalties.

(d) Penalty schedule. The administering authority shall establish by rule a penalty schedule that is proportional to the seriousness, duration, repetition, and willfulness of the violation.

(e) No penalty for cured minor defects. If a Tier 1 defect is cured within the time allowed by notice or rule, no further penalty shall be assessed for that defect unless the defect recurs or is part of a pattern of noncompliance.

(f) Separate violations. Each day of operation in violation of this Act may constitute a separate violation if so provided by rule or law.

(g) Collection. Civil penalties may be collected by administrative action, civil suit, or other lawful collection process.

(h) Mitigation. The administering authority may reduce a penalty only upon a written finding that the operator promptly corrected the violation, cooperated with enforcement, and did not engage in willful misconduct.

(i) Escalation factors. In determining the amount of a civil penalty or enhanced penalty, the administering authority may consider the duration of the violation, the number of affected patrons or employees, the operator's prior history, the degree of harm or risk, the adequacy of corrective action, and any concealment or obstruction.

(j) Repeated violation definition. For purposes of this section, repeated violation means a substantially similar violation occurring after notice or final administrative action concerning a prior substantially similar violation within the period established by rule or law.

(k) No waiver. Failure to impose a penalty for one violation shall not waive the authority to impose penalties for future or continuing violations.

(l) Minimum basis for enhanced penalties. Enhanced penalties may be imposed only upon a finding of repeated certification invalidity, repeated failure to renew, willful operation after expiration or invalidity, or tampering with certification integrity.

(m) Civil citation. Where authorized by law, the administering authority may issue civil citations, administrative notices of violation, or compliance orders under this section.

SECTION 13. STAGED IMPLEMENTATION AND MINIMUM INTERIM CERTIFICATION.

(a) Staged rollout. The operator shall comply with the staged rollout schedule established under this Act.

(b) Capacity classes. The administering authority shall establish by rule a staged schedule by premises capacity class, with larger venues staged later than smaller venues unless the administering authority finds, in writing, that a different sequence is necessary for public-health or enforcement reasons.

(c) Interim prohibition. During the staging period, indoor smoking shall be prohibited unless the operator has obtained minimum interim certification.

(d) Interim requirements. Minimum interim certification shall require documented ventilation zone mapping and a regulator-approved test booking.

(e) Deadline compliance. The operator shall complete any staging-phase filing, mapping, testing booking, or other preliminary requirement by the deadline applicable to the premises category.

(f) Public notice. The administering authority shall publish the staged rollout schedule and any category-specific compliance dates.

(g) No implied extension. Failure to complete a staged requirement by the applicable deadline shall not create a right to continue indoor smoking.

(h) Full certification. Staged implementation does not replace the obligation to obtain and maintain full SSSC within the time required by sections 4 and 6.

(i) Temporary status posting. During staging, the operator shall maintain a posting indicating whether the premises is in minimum interim certification status, active certification status, or expired status, as applicable by rule.

(j) Transition controls. The administering authority may require transitional notices, temporary operating limits, or preliminary documentation during staging so long as such requirements are consistent with this Act.

(k) Priority of full prohibition. If full certification is not attained by the applicable deadline, the premises shall be treated as SSSC-expired for all purposes of this Act.

SECTION 14. RULEMAKING AUTHORITY.

(a) General authority. The administering authority may adopt rules to implement certification criteria, testing formats, disclosure formats, reporting schedules, and enforcement procedures.

(b) Specific authority. The administering authority may adopt rules establishing measurement methods, acceptable testers, retention periods, and fee schedules if authorized by law.

(c) Technical standards. The administering authority may establish or revise technical standards for airflow directionality, dilution performance, uncertainty bands, leakage control, chain-of-custody, and material modification review.

(d) Consistency limitation. The administering authority shall not adopt a rule that authorizes indoor smoking without current certification unless another statute expressly requires it.

(e) Procedure. Rulemaking shall comply with applicable notice-and-comment requirements.

(f) Consultation. Before adopting or revising performance thresholds, the administering authority shall consult technical experts to the extent required or authorized by law.

(g) Guidance. The administering authority may publish guidance and forms to facilitate compliance, provided that guidance shall not create obligations inconsistent with this Act or with duly adopted rules.

(h) Fee limitation. Any fee established under this section shall be limited to the amount authorized by law and shall be reasonably related to administration, testing oversight, or program operation.

(i) Emergency rule authority. If necessary to protect public health or preserve program integrity, the administering authority may adopt emergency rules to the extent authorized by law.

(j) Accessible forms. Rules may require accessible electronic, paper, or language-accessible forms to the extent necessary for lawful administration and public understanding.

(k) Audit portal. The administering authority may establish an electronic audit portal for certifications, test reports, inspection records, status postings, and compliance notices.

SECTION 15. PROGRAM REVIEW AND THRESHOLD ADJUSTMENT.

(a) Review required. The administering authority shall conduct an 18-month review of the program.

(b) Review metrics. The review shall use certified-coverage rates, regulator test integrity failures, and aggregated secondhand smoke exposure proxies collected without patron-identifying data.

(c) Public summary. The administering authority shall publish an aggregated review summary.

(d) Threshold adjustment. If compliance fails to improve as measured in the review, the administering authority shall tighten SSSC performance thresholds through rulemaking to the extent permitted by law.

(e) Review intervals. The administering authority shall repeat the review at intervals established by rule or law.

(f) Data handling. Review data shall be aggregated and shall not include patron-identifying information unless another law expressly requires such information.

(g) Comment opportunity. The administering authority shall provide a reasonable opportunity for operators and members of the public to submit data or comments in the manner established for the review process.

(h) No delay of enforcement. The review required by this section shall not delay enforcement of any existing certification, disclosure, or accommodation duty.

(i) Corrective recommendation. If the review identifies recurring failures in specific compliance categories, the administering authority may issue a corrective recommendation or initiate rulemaking to address those failures.

(j) Aggregated publication. Any publication under this section shall report outcomes in aggregated form, including coverage rates, invalidity findings, and compliance trends, without patron-identifying data.

(k) Rule tightening. If the review shows deterioration or insufficient improvement in program performance, the administering authority shall revise thresholds, test criteria, or documentation requirements by rule to the extent permitted by law.

SECTION 16. RECORDS, RETENTION, AND CONFIDENTIALITY.

(a) Retention. The operator shall retain certification records, test reports, disclosure records, and the aggregated accommodation log for the periods required by rule or law.

(b) Production. The operator shall provide required records to the administering authority on lawful request.

(c) No destruction. The operator shall not destroy, falsify, or conceal records required under this Act.

(d) Administrative records. The administering authority shall maintain certification records in an accessible system for inspection and enforcement.

(e) Security. The administering authority shall protect records from unauthorized disclosure to the extent required by law.

(f) Storage. The operator shall store records in a manner that allows timely retrieval for inspection or hearing purposes.

(g) Confidential material. If a record contains information made confidential by another law, the record shall be handled in accordance with that law to the extent consistent with enforcement of this Act.

(h) Presumption from missing records. The absence of records required by this Act may be considered in enforcement proceedings to the extent permitted by law.

(i) Electronic records. The administering authority may accept, store, and review electronic records, electronic filings, electronic signatures, and electronic postings to the extent permitted by law.

(j) Preservation duty. Upon notice of investigation, the operator shall preserve relevant records and shall not destroy, alter, or obscure any record reasonably related to the investigation.

(k) Electronic accessibility. The administering authority may require that records be maintained in paper or electronic form, or both, as needed to support inspection, audit, hearing, or public status verification.

SECTION 17. PENALTIES FOR TAMPERING, OBSTRUCTION, AND FALSE STATEMENTS.

(a) Tampering prohibited. A person shall not tamper with certification reports, test instruments, disclosure postings, required records, inspection materials, or electronic audit records.

(b) Obstruction prohibited. An operator shall not obstruct a lawful inspection of certification status, posting, records, or authorized site access.

(c) False statements prohibited. A person shall not make a materially false statement in an application, renewal, test submission, remedial filing, remediation report, or other filing under this Act.

(d) Concealment prohibited. An operator shall not direct staff to conceal expired, invalid, suspended, revoked, or compromised certification status.

(e) Willfulness. For purposes of this section, the administering authority may consider the nature of the act, the timing, the materiality of the information, and the person’s control over the premises or records in determining willfulness, consistent with applicable law.

(f) Referral. The administering authority may refer willful tampering, obstruction, or falsification for criminal, civil, licensing, or professional action if authorized by other law.

(g) Separate violation. A violation of this section shall be a separate violation from any underlying certification or disclosure violation.

(h) Enhanced sanction. Tampering or obstruction may trigger enhanced penalties under section 12 and any other lawful sanction.

(i) Preservation duty. Upon notice of investigation, an operator shall preserve relevant records and shall not destroy, alter, or obscure any record reasonably related to the investigation.

(j) Complicity. A person who knowingly aids, solicits, directs, or conspires in the tampering, obstruction, or false statement prohibited by this section shall be treated as a violator to the extent permitted by law.

(k) No safe harbor for falsification. A false or altered record shall not be treated as valid for purposes of certification, renewal, inspection, disclosure, or remediation under this Act.

SECTION 18. SEVERABILITY.

(a) Severability. If any provision of this Act or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision.

(b) Continuing effect. The remaining provisions shall continue in effect to the fullest extent permitted by law.

(c) Independent operation. If a court determines that any technical standard, penalty provision, or administrative procedure is invalid, the remaining certification, disclosure, accommodation, recordkeeping, and enforcement provisions shall remain operative to the extent they can function independently.

(d) Partial invalidation. If any term or phrase is invalidated, the term or phrase shall be severed or construed to preserve the remainder of the section and the Act where legally possible.

SECTION 19. RELATION TO EXISTING LAW.

(a) Supplementation. This Act shall supplement and not limit any other law that imposes equal or greater protection from secondhand smoke.

(b) Existing prohibitions preserved. If another law prohibits indoor smoking in a covered premises, that prohibition shall remain in force.

(c) Stricter remedies preserved. If another law authorizes stricter inspection, licensing, civil, administrative, injunctive, workplace, health, or nuisance remedies, that law shall remain available unless expressly preempted by this Act.

(d) No right to smoke. No operator or person shall use this Act to claim a right to smoke indoors where another law forbids it.

(e) Local protection preserved. If local law is more protective, local law shall apply to the extent not preempted by higher law.

(f) No diminution. Nothing in this Act shall be construed to diminish worker protections, public accommodation rights, fire-safety obligations, building-code obligations, or health-code obligations.

(g) No private entitlement. Nothing in this Act shall be construed to create a private right to indoor smoking.

(h) Coordination. The administering authority shall coordinate implementation with other relevant agencies to the extent allowed by law and necessary to avoid conflicting notices or duplicative requests.

(i) License conditions. If a premises is subject to a business, health, alcohol, food-service, or occupancy license, compliance with this Act shall be a condition of such license to the extent authorized by law.

(j) No implied preemption. Nothing in this Act shall be construed to preempt a more protective local, state, or federal rule unless such preemption is expressly required by higher law.

SECTION 20. EFFECTIVE DATE AND TRANSITION.

(a) Effective date. This Act shall take effect on the date specified by the legislature.

(b) Operative deadlines. The certification, staging, disclosure, and enforcement provisions shall become operative according to the deadlines and rollout schedule set in this Act or by lawful rule.

(c) Transition preparation. The operator shall begin compliance preparation as required by the staged implementation deadlines.

(d) Initial notice. The administering authority shall publish implementation instructions, forms, and compliance guidance before the first major compliance deadline if feasible.

(e) Temporary operations. During any transition period, a covered premises may not permit indoor smoking unless the applicable certification or minimum interim certification requirement has been satisfied.

(f) No grandfathering. No premises shall be exempt from this Act solely because it operated before the effective date.

(g) Existing certifications. Any permit, license, variance, or approval issued under prior law shall remain effective only to the extent consistent with this Act and until it expires or is superseded under law.

(h) Deadline enforcement. Failure to comply by the operative date or staged deadline shall be enforceable under the same mechanisms as other violations of this Act.

(i) Transitional status. The administering authority may provide a temporary administrative status designation during the transition period only if the designation does not authorize indoor smoking contrary to this Act.

(j) Operational readiness. During the transition period, the operator shall complete any required planning, mapping, application, and testing booking to the extent necessary to meet the applicable deadlines.

SECTION 21. APPROPRIATIONS; FEES; FUNDING.

(a) Appropriation authorized. There is appropriated to the administering authority from the [general fund / public health fund] such sums as may be necessary to administer this Act, subject to legislative appropriation and applicable budget law.

(b) Purpose of funds. Funds appropriated under this section may be used for certification administration, inspection, rulemaking, outreach, training, record systems, public posting templates, and the review required by section 15.

(c) Subsidies authorized. If the legislature creates a public-health or tobacco-control fund, the administering authority may use amounts made available from that fund to subsidize initial commissioning tests for small operators, if authorized by appropriations or other law.

(d) Fee authority. The administering authority may collect fees only if and to the extent authorized by law.

(e) Fee use. Any fee collected under this Act shall be used for the administration and enforcement of this Act to the extent permitted by law.

(f) Cost control. Fees and charges imposed under this Act shall be reasonably related to the cost of administration, testing oversight, compliance review, or program operation, as authorized by law.

(g) Signage support. If funding is available and authorized by law, the administering authority may provide standard posting templates, disclosure forms, and status notice materials to reduce operator compliance costs.

(h) Small-operator assistance. Subject to appropriations, the administering authority may provide technical assistance or testing subsidies for smaller operators to facilitate timely certification.

SECTION 22. COMPLIANCE ORDERS; CORRECTIVE ACTION; HEARINGS.

(a) Compliance orders. The administering authority may issue a written compliance order requiring an operator to correct a violation of this Act within a specified time.

(b) Corrective action plan. A compliance order may require a corrective action plan that identifies the violation, the corrective measures, the responsible personnel, the deadline for completion, and the documentation required to show completion.

(c) Hearing rights. Before final agency action imposing suspension, revocation, or a civil penalty, the operator shall be afforded any hearing required by law.

(d) Emergency action. If the administering authority finds that continued indoor smoking presents an immediate risk arising from expired, invalid, suspended, revoked, or integrity-compromised certification status, the administering authority may issue an emergency order to cease indoor smoking, subject to prompt post-order review as provided by law.

(e) Cure period. A minor disclosure defect shall be eligible for cure under section 12(a) and any applicable rule.

(f) Noncompliance with order. Failure to comply with a lawful compliance order may constitute a separate violation and may support further enforcement.

(g) Follow-up verification. The administering authority may require reinspection, re-testing, document submission, or other verification of corrective action before closing a compliance order.

(h) Written findings. Compliance orders, emergency orders, suspension decisions, revocation decisions, and penalty decisions shall be supported by written findings to the extent required by law.

(i) Limited scope. Corrective orders shall be limited to the premises and the conduct necessary to remedy the violation, except where a broader remedy is required by law or by repeated noncompliance.

SECTION 23. NO PRIVATE RIGHT OF INDOOR SMOKING; REMEDIES.

(a) No entitlement. Nothing in this Act shall be construed to create a right, entitlement, or expectation to smoke indoors.

(b) Patron remedies preserved. Nothing in this Act shall be construed to limit any other remedy available to a person under other law for exposure, discrimination, retaliation, nuisance, or failure to provide lawful service.

(c) Agency remedies. The remedies in this Act are cumulative and are in addition to any other remedy available by law.

(d) Civil actions. If otherwise authorized by law, the attorney general, a municipal attorney, or other enforcement officer may seek injunctive relief, civil penalties, or other equitable relief to enforce this Act.

(e) No implied waiver. A patron’s request for accommodation under this Act shall not waive any other right or remedy available under law.

(f) No standing limitation. Nothing in this Act shall limit standing, if otherwise available by law, to seek enforcement of applicable smoke-free protections.

SECTION 24. RULE OF CONSTRUCTION REGARDING PRIVATE CLUBS AND TEMPORARY USES.

(a) Private clubs. A private club, members-only facility, or similar entity shall be a covered premises if it otherwise meets the definition of covered premises, unless another law expressly exempts it and that exemption is not preempted.

(b) Temporary uses. Temporary uses, event spaces, pop-up operations, seasonal operations, and intermittent operations shall comply with this Act when the premises is open to patrons, customers, clients, invitees, or employees.

(c) Short-term occupancy. A short-term occupancy arrangement shall not avoid coverage if the covered indoor area is otherwise open to the public or to employees.

(d) No loophole. No person shall use temporary signage, temporary fencing, temporary partitioning, event staffing arrangements, or similar operational devices to avoid the certification condition of this Act.

(e) Private office limitation. Any claimed private office or staff-only area shall be excluded from coverage only if access is restricted as provided by rule and the area is not used as a public indoor area.

(f) Event-based use. If a covered premises is used for a special event or temporary function, the certification, disclosure, and exit-protection duties shall apply whenever the premises is open and occupied unless another law expressly provides otherwise.

SECTION 25. IMPLEMENTATION REPORTING.

(a) Initial report. Not later than one year after the effective date, the administering authority shall report to the legislature on implementation status, including the number of applications received, certifications issued, certifications denied, and enforcement actions taken.

(b) Subsequent report. The administering authority shall include, in the review required by section 15, an accounting of program implementation and compliance trends.

(c) Form. Reports under this section shall be aggregated and shall not disclose personal identifiers unless another law requires such disclosure.

(d) Public availability. Reports under this section shall be made public in accordance with law.

(e) Metrics. Reports shall include certified-coverage rates, numbers of active and expired certifications, and counts of cure notices, civil penalties, and enhanced penalties, all in aggregated form unless another law requires otherwise.

(f) Rule implementation status. The report shall identify any rulemaking completed or pending, any technical standards adopted, and any significant implementation barriers encountered.

(g) Aggregated exposure proxies. To the extent lawfully available, reports shall include aggregated secondhand smoke exposure proxies, expressed in nonidentifying form.

SECTION 26. CONFORMING AUTHORITY.

(a) Forms and records. The administering authority may establish forms, identification numbers, templates, databases, and other administrative tools necessary to implement this Act.

(b) Cross-reference updates. The legislature, the administering authority, and any other authorized body may adopt conforming changes to cross-references in rules, forms, and guidance to reflect this Act.

(c) Transitional consistency. If another statute, rule, or form refers to a permit, designation, or exception inconsistent with this Act, the administering authority shall interpret and, where authorized, amend that reference to conform to this Act.

(d) Administrative coding. The administering authority may assign compliance codes or status identifiers for internal administration, provided that public-facing disclosure remains in the form required by this Act.

(e) Standard notices. The administering authority may issue standard notice forms for cure, compliance, suspension, revocation, recertification, or emergency action.

SECTION 27. PENALTIES FOR PERSONS WHO SMOKE IN VIOLATION OF THIS ACT.

(a) Individual violation. A person who smokes indoors in a covered indoor area in violation of this Act shall be subject to the penalties established by law.

(b) Separate from operator liability. Liability of a smoker under this section shall be separate from and in addition to any liability of the operator for permitting smoking in violation of this Act.

(c) Notice. The existence of the required smoking-state disclosure shall not limit enforcement against a person who smokes indoors in violation of this Act.

(d) Cooperation. If an operator directs a person to cease smoking or to leave a covered indoor area, the person shall comply with any lawful directive issued to enforce this Act.

(e) Administrative citation. Where authorized by law, a person smoking in violation of this Act may be issued an administrative citation or other lawful notice of violation.

(f) Repeat conduct. Repeated violations by the same person may be subject to enhanced penalties to the extent authorized by law.

(g) No operator defense. The fact that a smoker was not employed by the operator shall not excuse the operator’s independent duty to prevent indoor smoking when certification is not active or when smoking is otherwise prohibited by law.

SECTION 28. OPERATOR DUTY OF COOPERATION.

(a) Cooperation required. The operator shall cooperate with the administering authority in relation to inspection, certification, renewal, correction, reporting, and review under this Act.

(b) Access to responsible personnel. The operator shall identify a responsible person or persons for compliance communication upon request of the administering authority.

(c) Updated contact information. The operator shall keep current contact information for compliance notices and shall provide updates within the time required by rule or law.

(d) Training records. Upon lawful request, the operator shall produce records showing that staff training required by this Act has been completed.

(e) Designated contact. The operator shall designate a compliance contact for receipt of notices, correction requests, and inspection communications.

(f) Reasonable access. The operator shall maintain reasonable access to certification documents and required postings at the premises or by electronic means as permitted by rule.

(g) Operational assistance. The operator shall provide reasonable assistance needed for lawful inspections, record review, status verification, and recertification scheduling.

SECTION 29. RELATION TO LICENSES AND PERMITS.

(a) License condition. If the premises is subject to a business, health, alcohol, food-service, or occupancy license, compliance with this Act shall be a condition of such license to the extent authorized by law.

(b) Permitting coordination. The administering authority may notify a licensing agency of unresolved violations, suspensions, revocations, or repeated noncompliance to the extent permitted by law.

(c) Existing powers preserved. Nothing in this Act shall limit the power of a licensing or permitting agency to impose a stricter condition, suspension, revocation, or denial authorized by other law.

(d) License reporting. If allowed by law, the administering authority may provide compliance status information to a licensing agency for the limited purpose of enforcing lawful license conditions.

(e) Noncompliance consequence. Repeated or willful noncompliance with certification, disclosure, or exit-protection duties may be treated as a violation of any applicable license condition to the extent authorized by law.

SECTION 30. SUNSET REVIEW OF RULES; CONTINUING AUTHORITY.

(a) Review of rules. The administering authority shall periodically review rules adopted under this Act to ensure that they remain technically current and administrable.

(b) Continuing authority. The authority to enforce, amend, or implement this Act shall continue unless repealed by subsequent law.

(c) Technical updates. The administering authority may update technical forms, standards, and measurement methods consistent with this Act and applicable law.

(d) No lapse. The failure to update a form, template, or guidance document shall not suspend the statutory duties imposed by this Act.

(e) Administrative continuity. Pending rulemaking, existing lawful rules and orders shall remain in effect to the extent consistent with this Act and other law.

SECTION 31. STANDARDS FOR DOCUMENTATION OF CORRECTIVE MEASURES.

(a) Documentation. When corrective action is required under this Act, the operator shall document the steps taken, the date and time of completion, and the person responsible.

(b) Submission. The operator shall submit corrective-measure documentation to the administering authority within the time required by rule or notice.

(c) Verification. The administering authority may verify completion through inspection, record review, re-testing, or other lawful means.

(d) Failure to correct. Failure to complete corrective measures within the required time may result in escalation of sanctions under section 12.

(e) Reopening condition. If a compliance order requires a temporary stop to indoor smoking, the operator shall not reopen indoor smoking until the required corrective action is completed and verified if verification is required by law, rule, or order.

(f) Verification documents. Corrective-measure documentation may include contractor invoices, photographs, test results, revised floor plans, staff training records, or other records required by rule.

SECTION 32. NO IMPLIED EXEMPTIONS.

(a) Express exemptions only. An exemption from any requirement of this Act shall exist only if expressly stated in this Act or in another law that validly supersedes this Act.

(b) No implied room exception. No person shall infer a designated smoking-room exception, a private-area exception, or a temporary-use exception unless expressly authorized by law.

(c) No implied grace period. No grace period shall be implied except as expressly provided by this Act or by a rule consistent with this Act.

(d) Narrow construction of exemptions. Any exemption in this Act or another law shall be construed narrowly to avoid undermining the certification condition and the disclosure duty.

(e) Burden of proving exemption. A person asserting an exemption shall bear the burden of proving that the exemption applies to the premises and conduct at issue, to the extent permitted by law.

SECTION 33. EMERGENCY AND CONTINUITY OF OPERATIONS.

(a) Emergency continuity. If an emergency, power outage, equipment failure, or other incident affects certification status, the operator shall follow any emergency procedures required by rule and shall not permit indoor smoking unless certification remains active under the Act and applicable rules.

(b) Temporary suspension. If a required technical condition cannot be maintained, the operator shall suspend indoor smoking until the condition is restored and verified.

(c) Notice of emergency status. The operator shall update the smoking-state disclosure to reflect any emergency status if required by rule or order.

(d) Emergency access. Any emergency continuation of operations shall be limited to the extent necessary to protect life, health, or lawful continuity of essential services and shall not create a general right to indoor smoking.

(e) Power restoration. After an emergency interruption affecting ventilation, ducting, monitoring, or certification integrity, the operator shall not resume indoor smoking until the required conditions are restored and any required verification is completed.

SECTION 34. INTERPRETATION OF TIMING REQUIREMENTS.

(a) Time computation. Unless otherwise specified by law, when this Act requires action within a number of days, the computation shall follow the jurisdiction’s customary rule for time computation.

(b) Prompt action. Where this Act requires immediate, prompt, or timely action, the operator shall act without unreasonable delay and in a manner consistent with the protection of patrons and workers.

(c) Business days. If a deadline refers to business days, weekends and legal holidays shall be excluded as provided by law.

(d) Fixed periods. If this Act or a rule uses a fixed calendar period, the period shall be computed in the manner authorized by law for that type of deadline.

(e) Time-sensitive duties. The duties to stop indoor smoking immediately upon expiration or invalidity, to post status promptly, and to provide exit assistance promptly shall be construed as time-sensitive duties requiring action without unreasonable delay.

SECTION 35. SUPREMACY OF MORE PROTECTIVE PROVISIONS.

(a) More protective standard. If another law, rule, order, permit condition, or contractual obligation imposes a more protective standard regarding secondhand smoke, that more protective standard shall control to the extent not preempted by higher law.

(b) No reduction. This Act shall not be construed to reduce any standard, enforcement tool, or remedy that provides greater protection against secondhand smoke or other indoor air hazards.

(c) Cumulative protection. Where this Act and another law both apply, the more protective provision shall govern unless compliance with both is impossible, in which case the more protective applicable law not preempted by higher law shall control.

(d) Preserved authority. The authority of a licensing, health, fire, workplace, or nuisance agency to apply stricter requirements or remedies authorized by law is preserved.

SECTION 36. SAVINGS CLAUSE FOR PRIOR ENFORCEMENT.

(a) Ongoing actions. An enforcement action, investigation, notice, or penalty proceedings begun before the effective date of this Act may continue under the law applicable to the conduct at issue, to the extent permitted by law.

(b) Post-effective conduct. Conduct occurring on or after the effective date shall be governed by this Act.

(c) Previous approvals. Any prior approval inconsistent with the certification-gated structure of this Act shall expire or be modified as required by law and this Act.

(d) Pending applications. Pending applications or renewals under prior law shall be evaluated under this Act to the extent permitted by law and consistent with transition provisions.

(e) Continuing compliance duty. Nothing in this section shall be construed to permit indoor smoking on or after the effective date except as allowed by current SSSC and all other applicable law.

SECTION 37. ADMINISTRATIVE APPEALS.

(a) Appeal right. An operator aggrieved by a denial, suspension, revocation, civil penalty, compliance order, or other final administrative action under this Act shall have any appeal right provided by law.

(b) Exhaustion. Where required by law, administrative remedies shall be exhausted before judicial review.

(c) Record. The administering authority shall maintain the administrative record necessary for review of final agency action.

(d) Stay. Any stay pending appeal shall be available only to the extent authorized by law and shall not authorize indoor smoking contrary to an effective suspension, revocation, or emergency order unless expressly ordered by a court of competent jurisdiction.

(e) Scope of review. Judicial or administrative review shall consider the certification status, test integrity, disclosure compliance, and other lawful factors relevant to the action under review.

SECTION 38. EFFECTIVE IMPLEMENTATION DIRECTIVE.

(a) Publication. The administering authority shall publish forms, instructions, disclosure templates, and implementation guidance not later than the time required to make compliance feasible under the deadlines in this Act, if feasible.

(b) Outreach. The administering authority shall conduct outreach to operators, workers, and patrons concerning the requirements of this Act.

(c) Training resources. The administering authority may develop training materials for staff responsibilities under sections 8 and 9.

(d) Interim assistance. The administering authority may provide compliance assistance and technical assistance consistent with this Act and applicable appropriations.

(e) Public registry. The administering authority may maintain a public registry of certification status.

(f) Support materials. The administering authority may provide standardized signage, sample route maps, and status notices for operator use.

SECTION 39. RELATION TO FEDERAL LAW.

(a) No conflict. This Act shall be administered in a manner consistent with applicable federal law.

(b) Greater protection. To the extent federal law permits more protective state regulation regarding secondhand smoke, this Act shall be applied to provide such protection.

(c) Severability by conflict. If a provision of this Act is found preempted as applied to a particular category of premises or conduct, the provision shall remain in force as to all nonpreempted applications.

(d) Compliance with federal standards. Nothing in this Act shall be construed to require conduct prohibited by applicable federal law.

(e) Parallel compliance. To the extent an operator must comply with both this Act and federal law, the operator shall comply with both to the maximum extent lawful.

SECTION 40. REPEALER; CONFORMING REPEALS.

(a) Repealer. Any provision of law that is inconsistent with this Act is repealed or superseded to the extent of the inconsistency, subject to section 19 and applicable rules of construction.

(b) Conforming action. The legislature may adopt conforming amendments to related statutes, codes, and regulations to reflect the certification-gated structure of this Act.

(c) Continued validity. Any provision of law that can operate consistently with this Act shall remain in effect.

(d) Limited construction. This section shall not be construed to repeal any law that provides greater smoke-free protection or stronger enforcement remedies.

SECTION 41. EMERGENCY DECLARATION.

(a) Public-health necessity. The legislature declares that the provisions of this Act addressing certification, disclosure, immediate rollback, patron exit-protection, recordkeeping, and enforcement are necessary for the preservation of public health.

(b) Immediate applicability. To the extent permitted by law, the Act shall be given effect as promptly as possible consistent with the operative deadlines in this Act.

(c) Legislative intent. The legislature intends that administrative implementation proceed in a manner that permits timely compliance while preserving the default prohibition on indoor smoking in uncertified premises.

(d) Interim enforcement. The administering authority may prioritize enforcement of status disclosure, certification validity, and immediate stop duties during the initial implementation period.

SECTION 42. RULE OF NUMERICAL PRIORITY.

(a) Priority of deadlines. If more than one deadline applies to a particular operator or premises, the earliest applicable deadline shall govern unless a later deadline is expressly tied to a staged implementation category.

(b) Priority of duties. If more than one duty applies to a single event, the operator shall satisfy each applicable duty.

(c) No duplication of penalty. A single factual event may support more than one violation only to the extent permitted by law and consistent with the prohibition against duplicative punishment for the same offense.

(d) Conflict resolution. If two provisions of this Act appear to conflict, they shall be construed to give effect to both if reasonably possible, and otherwise to give effect to the more protective provision.

(e) Concurrent obligations. The existence of one compliance duty under this Act shall not excuse the failure to satisfy any other applicable duty.

SECTION 43. MISCELLANEOUS ADMINISTRATIVE AUTHORITY.

(a) Electronic records. The administering authority may accept, store, and review electronic records, electronic filings, electronic signatures, and electronic postings to the extent permitted by law.

(b) Alternative formats. The administering authority may require or permit alternative formats for persons with disabilities or language access needs as required by law.

(c) Public registry. The administering authority may maintain a public registry of certification status.

(d) Data integrity. The administering authority shall maintain data integrity measures sufficient to preserve the accuracy of certification status and enforcement records.

(e) Forms and identifiers. The administering authority may establish forms, identification numbers, templates, databases, and other administrative tools necessary to implement this Act.

(f) Electronic posting. The administering authority may prescribe electronic posting, audit, and verification methods so long as they do not replace required physical entry disclosure unless rule specifically authorizes an equivalent format.

(g) Audit trail. The administering authority may require an audit trail for submissions, notices, status changes, and inspections under this Act.

SECTION 44. REMEDIAL INTERPRETATION.

(a) Remedial purpose. This Act is remedial and shall be interpreted to provide effective protection against involuntary secondhand smoke exposure in covered indoor areas.

(b) Narrow reading disfavored. Provisions of this Act shall not be read narrowly to defeat the certification condition, the disclosure duty, the customer exit-protection duty, or the enforcement scheme.

(c) No circumvention. Any act, omission, arrangement, or operational practice that has the purpose or effect of avoiding the obligations of this Act may be treated as noncompliance to the extent permitted by law.

(d) Objective administration. The administering authority shall administer this Act in an objective, administrable, and public-health protective manner.

(e) Anti-evasion factors. In determining whether conduct constitutes circumvention, the administering authority may consider labels, staffing patterns, lease allocations, temporary partitions, internal routing, signage, and any other operational device used to avoid the Act’s requirements.

SECTION 45. FINAL PROVISION.

(a) Cumulative authority. The authority granted by this Act is cumulative and shall be exercised in addition to any other authority available by law.

(b) No waiver by inaction. Failure of the administering authority to act on a particular violation at a particular time shall not constitute a waiver of future enforcement.

(c) Continuing duty. The obligations imposed by this Act are continuing obligations and shall apply whenever a covered premises is open or operating.

(d) Effective enforcement. The administering authority shall implement this Act in a manner that is objective, administrable, and protective of public health.

(e) Ongoing compliance. An operator shall maintain continuous compliance with certification, disclosure, accommodation, recordkeeping, and correction duties for as long as the premises operates as a covered premises.

(f) Authority to update. The administering authority may update forms, templates, and technical guidance consistent with this Act and applicable law without altering the substantive protections established by this Act.

(g) Construction of status terms. A reference in this Act to active, expired, invalid, suspended, revoked, void, pending, or compromised status shall be construed according to the definitions in section 2 and the status records maintained by the administering authority.

Analytical Comparison

The generated bill formalizes a certification-gated indoor-smoking regime with operator duties and enforcement. That is a complete bill, but its substantive architecture remains weaker than the benchmark because comprehensive smoke-free laws work through broad indoor bans with minimal exceptions.

14. Case Analysis

Mandatory seat belt laws

Case type: historically effective practice.

Historical Legal Regime

Mandatory seat belt laws impose a legal duty on drivers and passengers to use seat belts. The strongest regimes use primary enforcement authority, proportionate fines, public education campaigns, crash-data reporting, and periodic evaluation of belt use, deaths, and serious injuries.

Normative Request

Design a traffic safety law to increase seat belt use and reduce motor-vehicle deaths and serious injuries while making enforcement administrable and measurable.

Empirical Evidence

NHTSA estimates seat belts save thousands of lives annually in the United States, and primary enforcement laws are associated with higher belt use.

Benchmark Criterion

The benchmark asks whether the generated law reproduces the legally operative architecture associated with empirical success: Mandatory seat belt use requirements, primary or strong enforcement authority, public education, penalties proportionate to non-use, crash data reporting, and periodic evaluation of usage and injury outcomes.

Generated Bill

A BILL

To establish a seat-belt lockout compliance regime for covered passenger vehicles; to require belt use by occupied required seats while a vehicle is in motion; to require state-certified occupant-detection and seat-buckle controllers that generate tamper-evident event logs and lockout responses; to limit enforcement to verified log-based evidence; to provide narrow exemptions, graduated civil penalties, retrofit assistance, reporting, quality assurance, relation to existing law, and other purposes.

Be it enacted by the Legislature of the State of __________:

SECTION 1. SHORT TITLE; LEGISLATIVE FINDINGS.

(a) Short title.—This Act shall be known and may be cited as the “Seat-Belt Lockout Compliance Act”.

(b) Legislative findings.—The Legislature finds and declares the following:

(1) Increasing seat-belt use reduces motor-vehicle deaths and serious injuries.

(2) Objective vehicle-level compliance evidence is preferable to subjective roadside observation for enforcement of belt-use requirements.

(3) A vehicle-based compliance mechanism that records and responds to unbelted operation can improve administrability, measurability, and auditability.

(4) Civil enforcement based on tamper-evident records can reduce reliance on fleeting visual observations and can improve consistency in administration.

(5) Narrow, verifiable exemptions and standardized repair procedures are necessary to preserve fairness and prevent circumvention.

(c) Construction.—This Act shall be liberally construed to effectuate the public-safety purposes stated in subsection (b), and shall not be construed to authorize sanctions against any occupant solely on the basis of occupant status.

SECTION 2. DEFINITIONS; SCOPE.

(a) Definitions.—In this Act:

(1) “Administering authority” means the Department of Motor Vehicles, Department of Transportation, state police, administrative hearings office, or other state agency or officer designated by the Governor or by law to implement this Act, and, where the context requires, each of them.

(2) “Appeal” means an administrative review, hearing, or judicial review authorized by this Act or by other applicable law.

(3) “Certified repair” means a repair, replacement, calibration, reprogramming, adjustment, inspection, or other corrective action performed by a certified installer, repair facility, or laboratory under Section 16, and documented in the manner required by rule.

(4) “Controller” means a state-certified seat-buckle and occupant-detection controller described in Section 4.

(5) “Correction window” means the period following lockout activation during which the driver may restore belt compliance and thereby prevent civil liability from attaching for the underlying event, as provided in Section 5.

(6) “Covered passenger vehicle” means a passenger car, minivan, sport utility vehicle, multipurpose passenger vehicle, van, or other state-designated light passenger vehicle operated on public roads within the jurisdiction, excluding a vehicle expressly excluded by rule on the basis of technical impossibility, federal incompatibility, or other express statutory exclusion.

(7) “Covered seat position” means a seating position in a covered passenger vehicle that is subject to the requirements of this Act, including each front seating position and each outboard rear seating position.

(8) “Drive engagement” means the selection of a transmission state, propulsion state, or other operating state that permits the vehicle to move under its own power.

(9) “Drive request” means a command, key cycle, ignition request, remote start request, brake-release request, transmission selection, or other action that, under normal vehicle operation, would initiate or permit drive engagement.

(10) “Event log” means the tamper-evident electronic record described in Section 6.

(11) “Grace period” means the short interval, not to exceed the statutory maximum established under Section 5, beginning upon drive request or drive engagement and ending before lockout activation if belt compliance is not restored.

(12) “In motion” means moving under its own power, whether by propulsion, coasting with drive engagement, or other vehicle movement on a public road, and includes movement after drive engagement and before the vehicle is returned to a stopped or parked state.

(13) “Lockout event” means an event recorded by the controller in which an occupied required seat remains unbelted beyond the grace period and the controller enters lockout mode.

(14) “Lockout mode” means the state in which the controller, after an unbelted occupied required seat remains uncorrected beyond the grace period, prevents engagement of drive or restricts the vehicle to a limited limp mode, and activates seat-position-specific prompts, as authorized by rule.

(15) “Maintenance interval” means the period established by rule for inspection, calibration, recertification, or update of the controller.

(16) “Mechanical impossibility certificate” means a time-bounded, seat-position-specific certification issued under Section 10 finding that, for the certified period, the seat belt system for a covered seat position cannot function as required because of malfunction or other mechanically verified impossibility.

(17) “Medical contraindication code” means a registry-issued, time-bounded, seat-position-specific verification code issued under Section 9 stating that a person has a verified medical basis preventing use of a seat belt for the certified period.

(18) “Occupied required seat” means any covered seat position occupied by a person while the vehicle is in motion; provided that a seat position is not occupied if the seat sensor, visual verification under rule, or other certified detection method determines that no person is seated in the position.

(19) “Registered owner” means the person identified by the state registration system as the owner of record for the covered passenger vehicle.

(20) “Seat belt” means a lap belt, shoulder belt, or other restraint approved by the vehicle manufacturer and recognized by the administering authority for the covered seat position.

(21) “Seat-buckle and occupant-detection controller” or “controller” means a device or integrated system certified under Section 4 that detects occupancy, belt engagement, and lockout status, and that records events in the event log.

(22) “Secure log export” means a cryptographically authenticated export of event log data through an approved onboard interface or authorized roadside reader, accompanied by integrity verification information sufficient to confirm that the data have not been altered.

(23) “Statutory maximum” means the maximum grace period, correction-window period, or other time period established by statute or by rule under authority expressly granted by this Act.

(24) “Tamper-evident” means designed so that alteration, deletion, spoofing, or replacement of a relevant record is detectable through cryptographic signature, audit trail, hardware security module, or other approved integrity mechanism.

(25) “Trip window” means the period beginning at the first drive request or drive engagement for a trip and ending when the vehicle returns to a stopped or parked state and the controller records trip closure.

(b) Scope.—

(1) This Act shall apply to covered passenger vehicles operated on public roads within the jurisdiction.

(2) A covered passenger vehicle shall include passenger cars, minivans, and other state-designated light passenger vehicles.

(3) A vehicle shall not be subject to this Act unless it is capable of being equipped with the required controller or qualifies for a temporary exemption or retrofit extension under this Act.

(c) Authority to clarify covered vehicle classes.—The administering authority may, by rule, classify vehicle types within the categories set forth in subsection (b), provided that no rule shall expand coverage beyond the categories expressly authorized by this Act without separate statutory authority.

SECTION 3. CORE SEAT-BELT USE DUTY.

(a) Duty during motion.—Whenever a covered passenger vehicle is in motion, every occupied required seat shall be occupied by a person using a functioning seat belt.

(b) Driver duty.—A driver shall not operate a covered passenger vehicle in motion unless each occupied required seat is belted.

(c) Owner duty.—A registered owner shall not knowingly permit a covered passenger vehicle to be operated in motion in violation of this section.

(d) Passenger conduct not separately sanctionable.—No direct sanction shall be imposed on an occupant solely because the occupant was unbelted.

(e) Temporal scope.—The duty under this section shall attach upon the vehicle entering motion and shall continue until the vehicle stops, the vehicle is parked, the controller records trip closure, or an exemption under this Act applies to the affected seat position.

(f) Relation to lockout and enforcement.—A violation of this section shall be enforced only in the manner authorized by Sections 7 through 14, except that a separate equipment violation may be enforced under Section 4 or 6 if the controller is not certified, has been disabled, or fails to generate required records.

SECTION 4. REQUIRED CONTROLLER EQUIPMENT; CERTIFICATION.

(a) Equipment requirement.—A covered passenger vehicle shall be equipped with a state-certified seat-buckle and occupant-detection controller.

(b) Controller functions.—The controller shall:

(1) detect occupancy for each covered seat position;

(2) detect whether the seat belt is functioning and engaged;

(3) generate a tamper-evident event log of lockout events, correction attempts, reset status, and trip-window data;

(4) support seat-position-specific prompts;

(5) support lockout activation under Section 5; and

(6) permit secure log export under Section 6.

(c) Certification required.—No controller shall be sold, installed, or used for compliance purposes under this Act unless certified by the administering authority.

(d) Certification standards.—The administering authority shall adopt standards that require the controller to:

(1) operate with documented accuracy for occupancy and belt-engagement detection;

(2) maintain integrity of the event log against unauthorized alteration;

(3) preserve data necessary for enforcement and appeal;

(4) resist tampering, spoofing, bypass, and unauthorized reset;

(5) remain functional under ordinary operating conditions for the maintenance interval; and

(6) be interoperable with approved secure log export methods.

(e) Testing and recertification.—

(1) The administering authority shall require premarket testing, field validation, periodic inspection, and recertification at intervals established by rule.

(2) The administering authority shall require recertification whenever a controller model is materially modified, repaired after a security compromise, or identified in quality assurance review as requiring corrective action.

(f) Installation and use.—A controller required under this Act shall be installed by a certified installer or repair facility unless the administering authority authorizes owner installation for a particular class of equipment under rule.

(g) Prohibition on uncertified equipment.—A person shall not knowingly install, sell, or represent as certified any controller that has not been certified under this section.

(h) Records.—A manufacturer, installer, repair facility, or laboratory shall maintain records sufficient to demonstrate certification, installation, calibration, and testing for the period established by rule, and shall make those records available to the administering authority upon request.

SECTION 5. GRACE PERIOD; LOCKOUT ACTIVATION; RESET.

(a) Grace period required.—If an occupied required seat remains unbelted after a drive request or drive engagement, the controller shall allow a grace period of not more than 5 seconds, or such shorter period as the administering authority may establish by rule within the statutory maximum.

(b) Lockout activation.—If the occupied required seat remains unbelted after the grace period, the controller shall enter lockout mode.

(c) Lockout response.—Lockout mode shall:

(1) prevent engagement of drive, or

(2) restrict the vehicle to a limited limp mode, if and only if the administering authority authorizes that response by rule and determines that the response will not create an unreasonable risk to vehicle occupants or other road users.

(d) Belt prompts.—Upon lockout activation, the controller shall display clear seat-position-specific prompts instructing the driver or occupant to fasten the belt for the affected seat position.

(e) Reset.—The controller shall reset lockout mode when the affected seat becomes belted and the controller verifies belt engagement.

(f) Logging.—The controller shall record the drive request, grace-period expiration, lockout activation, prompt display, correction attempt, reset, and trip closure in the event log.

(g) Correction window.—For purposes of enforcement, the correction window shall begin when lockout mode activates and shall end not later than 10 seconds after the first lockout prompt or such shorter period as the administering authority may establish by rule, provided that the correction window shall be uniform for all covered vehicles of the same class unless a certified accessibility or mechanical exception requires a different period.

(h) No continuing liability after timely correction.—If the affected seat becomes belted and the vehicle is returned to compliance within the correction window, no citation or civil assessment shall issue under Section 7 for that event, except for a separate equipment violation if the controller failed to function as required.

(i) No open-ended correction privilege.—A correction attempt outside the correction window shall not prevent liability under Section 7 unless a separate exemption or defense expressly provided by this Act applies.

SECTION 6. EVENT LOGGING; DATA INTEGRITY; RETENTION.

(a) Required log entries.—The controller shall record each lockout event, correction attempt, reset, and relevant trip window data in a tamper-evident event log.

(b) Required data elements.—The log shall include, at a minimum:

(1) the date and time of the event;

(2) the vehicle identifier;

(3) the covered seat position;

(4) the occupancy status;

(5) the belt-engagement status;

(6) the lockout status;

(7) the correction status;

(8) the trip window;

(9) the integrity hash, digital signature, or equivalent tamper-evident identifier; and

(10) the version of the controller software or firmware used at the time of the event.

(c) Chain of custody.—The administering authority shall prescribe chain-of-custody procedures for log export, storage, transmission, duplication, and introduction into evidence.

(d) Secure export.—The controller shall permit secure log export through an approved onboard interface, wireless protocol, or roadside reader that preserves the integrity of the event log.

(e) Data retention.—A controller manufacturer, installer, repair facility, registered owner, and the administering authority shall retain log data and related records for the period established by rule, which shall be sufficient to allow administrative review, appeal, audit, and enforcement.

(f) Data minimization.—The administering authority shall collect and retain only the data necessary for enforcement, appeal, certification, quality assurance, and reporting under this Act, and shall not require disclosure of extraneous personal information except as necessary for adjudication.

(g) Prohibited alteration.—No person shall intentionally alter, delete, conceal, spoof, or impair an event log or a secure export function.

(h) Presumption from integrity failure.—If the integrity hash, signature, or tamper-evident feature is missing, corrupted, or fails validation, the event log shall be treated as inadmissible for citation purposes unless the enforcing agency proves authenticity by a preponderance of the evidence through other certified means.

SECTION 7. ENFORCEMENT TRIGGER; EVIDENTIARY STANDARD.

(a) Exclusive enforcement trigger.—A citation or civil assessment under this Act shall be permitted only when an officer verifies a lockout event during the trip window through secure log export or roadside reader.

(b) Correction-window requirement.—A citation or civil assessment shall be permitted only if the verified record shows that the lockout event was not corrected within the correction window.

(c) Prohibition on subjective citation basis.—An officer shall not issue a citation under this Act based solely on subjective roadside observation of belt status.

(d) Standardized receipt.—

(1) The administering authority shall prescribe a standardized lockout event receipt form to be generated from the event log.

(2) The receipt shall include the date, time, vehicle identifier, seat position, trip window, correction-window status, verification method, and integrity confirmation.

(3) The receipt shall be attached to or incorporated into any citation or civil assessment notice.

(e) Notice to driver or owner.—At the time of verification, or as soon thereafter as practicable, the officer shall provide the driver or registered owner with a written or electronic notice stating the nature of the verified event, the right to contest the event, and the method for obtaining the event receipt.

(f) Burden of proof.—In any administrative proceeding under this Act, the enforcing agency shall bear the burden of establishing the elements necessary for citation or civil assessment, including the existence of a verified lockout event, the absence of timely correction, and any attribution to the driver or owner.

(g) Inadmissibility of unverified assertions.—Statements by an officer concerning observed belt status, without a verified event log satisfying this section, shall not by themselves establish a violation under this Act.

SECTION 8. ALLOCATION OF LIABILITY.

(a) No occupant sanctions.—No direct sanction shall be imposed on an occupant solely because the occupant was unbelted.

(b) Driver liability.—A civil assessment under this Act may be directed to the driver when the driver operated the vehicle during an uncleared lockout event or otherwise violated Section 3.

(c) Owner liability.—A civil assessment under this Act may be directed to the registered owner only if the owner:

(1) knowingly permitted the vehicle to be operated in violation of this Act;

(2) failed to comply with a statutory notice, repair, or transfer obligation under this Act; or

(3) was otherwise made responsible by express provision of this Act.

(d) Joint allocation.—Where the evidence supports liability of both the driver and the registered owner, the enforcing agency may assess liability against both, subject to any limitation or allocation rule established by law.

(e) Defenses.—A registered owner shall not be liable if the owner establishes by a preponderance of the evidence that, at the time of the event, the vehicle had been transferred, stolen, used without authorization, or otherwise operated under a defense recognized by statute or rule.

(f) Attribution notice.—Any notice of violation shall state whether liability is attributed to the driver, the registered owner, or both, and shall describe the factual basis for the attribution.

(g) Occupant information not basis for penalty.—Information about passenger identity, passenger age, or passenger status shall not be used to impose a direct sanction on an occupant under this Act.

SECTION 9. MEDICAL CONTRAINDICATION EXEMPTION.

(a) Eligibility.—A person may qualify for an exemption only through a medical contraindication code issued under the state registry system.

(b) Issuance.—The administering authority shall establish a process for the issuance, renewal, suspension, and revocation of medical contraindication codes.

(c) Required content.—Each medical contraindication code shall:

(1) identify the affected person;

(2) identify the covered seat position or positions to which the code applies;

(3) state the basis for the exemption in a form sufficient for verification;

(4) contain an expiration date;

(5) be capable of field verification by secure registry lookup; and

(6) be revocable upon a finding that the basis for exemption no longer exists.

(d) Seat-position specificity.—If the medical condition affects only certain seating positions or restraint uses, the exemption shall be limited to those positions and uses.

(e) Verification.—The administering authority shall provide a secure verification system for officers, adjudicators, and other authorized persons to confirm whether a code is valid, expired, suspended, or revoked.

(f) Standardized application.—The authority shall prescribe a standardized application requiring competent medical attestation and any additional information necessary to establish eligibility.

(g) Narrow construction.—The exemption shall be construed narrowly and shall not extend to generalized discomfort, inconvenience, preference, or circumstances not medically documented as a contraindication.

(h) False statements.—A person who knowingly submits a false application, attestation, or renewal request under this section commits a civil violation and shall be subject to penalty and referral to the appropriate licensing authority.

SECTION 10. MECHANICAL IMPOSSIBILITY EXEMPTION.

(a) Eligibility.—A vehicle may qualify for an exemption only if an inspection certifies belt system malfunction or mechanical impossibility for a specific seat position.

(b) Seat-position coding.—A mechanical impossibility certificate shall be seat-position coded and shall identify the specific belt, sensor, or controller component that prevents compliance.

(c) Time-bounded certification.—Each mechanical impossibility certificate shall have a fixed expiration date and shall be renewable only upon a new inspection and certification.

(d) Limited effect.—The exemption shall apply only to the affected seat position and only for the certified period.

(e) Required inspection.—The administering authority shall prescribe inspection criteria, documentation standards, and testing procedures for a mechanical impossibility certificate.

(f) Certified repair attempts.—The administering authority may require proof of certified repair attempts, parts replacement, diagnostics, or other corrective measures before or after issuance of a mechanical impossibility certificate.

(g) Narrow construction.—A certificate shall not be issued solely because a vehicle is old, lacks convenience features, is inconvenient to repair, or is temporarily difficult to service.

(h) False or negligent certification.—A certified inspector, installer, or repair facility that issues a false or negligent mechanical impossibility certificate shall be subject to civil penalty, suspension, revocation, and other lawful consequences.

SECTION 11. EXEMPTION ADMINISTRATION; ANTI-GAMING RULES.

(a) Verification before use.—The administering authority shall verify exemption eligibility before the exemption may be used to avoid liability under this Act.

(b) Expiration, renewal, and revocation.—The authority shall maintain rules governing expiration, renewal, suspension, and revocation of all exemptions under this Act.

(c) Aggregate publication.—The authority shall publish aggregate exemption statistics by category at least quarterly, including the number of active, renewed, expired, denied, suspended, and revoked exemptions.

(d) Anti-gaming standards.—The administering authority shall establish standards to prevent improper use, serial renewal abuse, forged documentation, identity substitution, and other circumvention.

(e) Field verification.—The authority shall provide a secure method for officers and adjudicators to verify exemption status in the field or during hearings.

(f) Notice and opportunity to contest.—Before an exemption is denied, suspended, or revoked, the holder shall receive notice and an opportunity to contest the action, except that an emergency suspension may be imposed when necessary to prevent immediate fraud or harm, subject to prompt post-suspension review.

(g) No implied exemptions.—No exemption shall exist by implication, practice, informal policy, or rule beyond the categories expressly authorized by this Act.

(h) Use of invalid exemption.—Use of a revoked, expired, suspended, or fabricated exemption shall not excuse a violation and may constitute an aggravating circumstance for purposes of penalty escalation if expressly found by the adjudicator.

SECTION 12. FIRST-EVENT WARNING; COMPLIANCE INTERVENTION.

(a) Warning for first event.—The first verified uncleared lockout event per registered vehicle in a calendar year shall result in a warning rather than a civil penalty, unless the event involved tampering indicators or willful system disabling established by statute and proved by the enforcing agency.

(b) Compliance intervention.—The warning shall require a mandatory system check, inspection, or compliance training credit as directed by the administering authority.

(c) Compliance history.—The warning shall be recorded in the vehicle's compliance history.

(d) Completion deadline.—The driver or registered owner shall complete the compliance intervention within the period established by rule, which shall not be less than 15 days and not more than 60 days after notice, unless a shorter period is necessary because of safety findings documented by the administering authority.

(e) Failure to complete intervention.—Failure to complete the required intervention within the deadline shall cause the event to become penalty-eligible under Section 13.

(f) No penalty for timely completion.—If the intervention is timely completed, no civil penalty shall be imposed for the first event, except for any separate equipment violation proven under this Act.

SECTION 13. ESCALATING CIVIL PENALTIES.

(a) Escalating penalties.—Second and subsequent verified uncleared lockout events within the statutory period shall be subject to escalating civil penalties tied to event count.

(b) Event-count schedule.—The administering authority shall apply a civil penalty schedule established by statute or by rule within statutory caps. The schedule shall provide higher penalties for each subsequent verified event and may distinguish between repeated events in the same vehicle, repeated events by the same driver, and repeated events involving tampering indicators.

(c) Notice of escalation.—Each notice of violation under this section shall state the event count on which the penalty is based and the applicable penalty tier.

(d) No arbitrary fine setting.—Penalty amounts shall not be set ad hoc by an officer and shall not vary based on subjective roadside judgment.

(e) Penalty caps.—The maximum civil penalty for any one event and the aggregate annual penalty for a registered vehicle shall not exceed the caps established by statute, except that enhanced penalties may apply for tampering, fraud, or repeated failure to remediate as authorized by this Act.

(f) Payment and collection.—Penalties assessed under this section shall be payable to the agency designated by law and collected in the manner applicable to civil traffic assessments.

(g) Dedicated accounting.—If lawfully designated by appropriation or other statute, penalty revenue shall be deposited in a separate account dedicated to retrofit assistance, verification, inspection, compliance training, or other purposes authorized by Sections 15 and 17.

SECTION 14. REPAIR AND REMEDIATION OBLIGATION.

(a) Repair obligation after repeated events.—After repeated verified events, the owner shall file proof of certified repair or adjustment of the seat-belt or controller system within the statutory repair window.

(b) Repair window.—The statutory repair window shall be established by rule and shall not be less than 10 days and not more than 45 days after notice, unless a different period is authorized by statute for a defined class of vehicle or malfunction.

(c) Seat-position specificity.—If the problem is limited to one seat position, the repair obligation shall be seat-position-specific.

(d) Proof required.—Proof of repair shall consist of records from a certified repair facility, installer, or laboratory and shall identify the corrected component, the date of correction, and any recertification performed.

(e) Continued enforcement.—Failure to remediate after notice shall authorize higher penalties and continued enforcement action under Section 13 or other applicable law.

(f) Additional inspection.—The administering authority may require an additional inspection or recertification following repair before the vehicle may be returned to unrestricted compliance status.

(g) Failure to provide proof.—If the owner fails to provide proof of certified repair within the repair window, the enforcing agency may impose the higher penalty tier and may refer the matter for additional administrative action.

(h) Exception for valid exemptions.—This section shall not apply to a seat position for which a valid medical contraindication code or mechanical impossibility certificate remains in force.

SECTION 15. RETROFIT ASSISTANCE AND VERIFICATION FUNDING.

(a) Program established.—The state shall establish a retrofit subsidy, voucher, or assistance program for eligible owners.

(b) Covered costs.—The program shall fund, subject to appropriation and program rules:

(1) controller purchase or retrofit installation;

(2) controller verification, inspection, and testing;

(3) certified repair or adjustment necessary for compliance;

(4) calibration or recertification required under this Act; and

(5) any related administrative fee the administering authority finds necessary to ensure participation by eligible owners.

(c) Priority categories.—The administering authority shall prioritize assistance for:

(1) older vehicles;

(2) low-income owners;

(3) vehicles with certified malfunction histories; and

(4) vehicles otherwise likely to incur repeated noncompliance because of equipment failure rather than intentional refusal.

(d) Application and approval.—The administering authority shall prescribe eligibility criteria, application procedures, reimbursement rules, and vendor requirements for assistance.

(e) Vendor participation.—The administering authority may contract with certified installers, repair facilities, and laboratories to deliver assistance.

(f) No exclusion for cost alone.—The state shall administer the program so that cost does not become a categorical barrier to compliance for eligible owners to the extent funds are available.

(g) Use of funds.—Assistance funds shall be used only for authorized retrofit, repair, verification, inspection, or testing purposes, and recipients shall retain receipts and compliance records for audit.

(h) Appropriation.—There is appropriated from the General Fund, or from another source specified by the Legislature, such sums as are necessary to implement this section, to remain available until expended unless otherwise provided by law.

SECTION 16. CERTIFICATION OF INSTALLERS, REPAIR FACILITIES, AND LABORATORIES.

(a) Certification required.—Only certified installers, repair facilities, and laboratories may perform work or issue certifications under this Act.

(b) Competence standards.—Certification shall require competence in:

(1) controller installation;

(2) calibration;

(3) log integrity;

(4) seat-position-specific diagnostics;

(5) secure data handling; and

(6) any other subject the administering authority determines is necessary for lawful performance under this Act.

(c) Public registry.—The administering authority shall maintain a public registry of certified entities.

(d) Application and renewal.—The authority shall establish application, renewal, suspension, revocation, and reinstatement procedures.

(e) Records.—Certified entities shall provide standardized records of installation, inspection, repair, testing, and certification to the vehicle owner and to the administering authority as required by rule.

(f) Due process.—The administering authority shall provide notice and an opportunity to be heard before suspension or revocation of certification, except that emergency action may be taken when necessary to protect public safety or data integrity, subject to prompt post-action review.

(g) Content neutrality.—Certification criteria shall be content-neutral and shall not discriminate by vehicle brand or vendor absent technical necessity documented by the administering authority.

(h) Prohibition on false certification.—A person shall not knowingly issue, alter, or use a false certification under this Act.

SECTION 17. QUARTERLY REPORTING AND PUBLIC ACCOUNTABILITY.

(a) Quarterly reports required.—The administering authority shall publish quarterly reports on:

(1) lockout-trigger frequency;

(2) correction compliance within the correction window;

(3) exemption rates by category;

(4) escalation counts;

(5) certification or calibration issues identified in the reporting period; and

(6) the number of repairs completed after repeated events.

(b) Format.—The reports shall be published in a machine-readable format and in a form accessible to the public.

(c) Comparative review.—The authority shall compare current-quarter measures to prior quarters to identify drift, anomalies, or recurring equipment issues.

(d) Privacy.—The reports shall minimize personally identifying information and shall present aggregate information wherever feasible consistent with enforcement, audit, and appeal needs.

(e) Accuracy requirement.—The authority shall not knowingly suppress, omit, or misstate compliance, exemption, calibration, or escalation data required by this section.

(f) Oversight distribution.—The authority shall transmit each quarterly report to the Governor, the Legislature, the State Auditor or Inspector General, and any other oversight body designated by law.

(g) Public access.—The administering authority shall maintain a public webpage or equivalent repository containing the quarterly reports, the current certification rules, and the current exemption-verification procedures.

SECTION 18. QUALITY ASSURANCE; CALIBRATION REVIEW; ESCALATION PAUSE.

(a) Escalation pause trigger.—If lockout-trigger frequency rises while correction compliance falls, the state shall pause penalty escalation pending QA certification refresh.

(b) QA review.—The administering authority shall establish objective quality-assurance thresholds and audit methods for controller performance, log integrity, calibration drift, false-event rates, and correction-window performance.

(c) Corrective action.—The administering authority shall require recalibration, recertification, firmware update, software correction, or other corrective action for affected controller models when indicated by QA review.

(d) Sensor calibration review.—If injury outcomes fail to decline despite improved compliance metrics, the administering authority shall review sensor calibration standards and evidentiary thresholds.

(e) Publication of findings.—The authority shall publish the outcome of each QA review, the basis for any escalation pause, and the corrective action taken.

(f) Scope of pause.—A pause in penalty escalation under this section shall not eliminate the underlying seat-belt duty or the controller certification requirements.

(g) Temporary procedural changes.—During a pause in penalty escalation, the administering authority may tighten verification steps, require additional chain-of-custody measures, or modify audit procedures, but shall not impose a citation standard less protective than the standard required by Section 7.

(h) Restoration of escalation.—Penalty escalation may resume only after the administering authority certifies in writing that the identified QA issues have been resolved or that the controller model has been recertified.

SECTION 19. ENFORCEMENT; ADMINISTRATIVE HEARINGS; RELATION TO EXISTING LAW.

(a) Enforcement authority.—The administering authority, state police, and any local agency authorized by law may enforce this Act according to the procedures established herein.

(b) Hearings.—A person assessed a penalty under this Act shall be entitled to notice and an opportunity for a hearing before an impartial hearing officer or tribunal in accordance with applicable administrative procedure law.

(c) Issues on review.—At a hearing under this Act, the issues shall include:

(1) whether a verified lockout event occurred during the trip window;

(2) whether the event was corrected within the correction window;

(3) whether the event log was authentic and admissible;

(4) whether liability is properly attributed to the driver, registered owner, or both;

(5) whether a valid exemption applied; and

(6) whether any required repair or intervention was completed.

(d) Supplementation of existing law.—This Act shall supplement existing seat-belt and vehicle-equipment laws unless a provision is expressly superseded by this Act.

(e) More protective law.—Where another law is more protective of due process, privacy, or evidentiary integrity, that law shall continue to apply unless inconsistent with this Act.

(f) Preemption of conflicting local rule.—Any conflicting local rule shall yield to this Act to the extent of the conflict if the state has occupied the field for certified controller regulation and log verification.

(g) Conforming amendments.—The administering authority shall identify existing regulations, forms, and procedures that require conforming amendment and shall propose necessary changes within the time prescribed by rule or directive.

(h) No implied repeal beyond conflict.—Nothing in this Act shall be construed to repeal existing law except to the extent of direct conflict with this Act.

SECTION 20. EFFECTIVE DATE; PHASE-IN; SEVERABILITY; TRANSITION.

(a) Effective date.—This Act shall take effect on a date specified by the Legislature.

(b) Phased implementation.—The Act may include phased implementation periods for certification, retrofit, and enforcement as specified by the Legislature or by rule authorized by this Act.

(c) Different effective dates.—Different sections may take effect on different dates as necessary to allow rulemaking and certification.

(d) Rulemaking period.—The administering authority shall begin rulemaking immediately upon enactment and shall adopt the rules necessary to implement this Act before the first enforcement date.

(e) Compliance calendar.—The administering authority shall publish a compliance calendar for manufacturers, installers, repair facilities, laboratories, owners, drivers, and enforcement officers.

(f) Transition for existing vehicles.—The administering authority may provide temporary retrofit extensions, inspection grace periods, or compliance deadlines for existing vehicles if necessary to permit orderly implementation, provided that no extension shall exempt a vehicle from the underlying seat-belt duty in Section 3 once the applicable phase-in date has arrived.

(g) Severability.—If any provision of this Act or its application is held invalid, the remaining provisions shall remain in effect to the greatest extent possible.

(h) Transitional enforcement.—Before the first enforcement date for a given vehicle class or model year, the administering authority shall issue warnings, education materials, and retrofit notices, but shall not impose civil penalties for conduct that is not yet subject to penalty under the applicable transition schedule.

(i) Preservation of duties.—Nothing in this section shall be construed to suspend the duty to maintain certified equipment, to preserve event logs, or to comply with an exemption-verification requirement once applicable to the vehicle.

SECTION 21. RULEMAKING AUTHORITY.

(a) General authority.—The administering authority may adopt rules necessary to implement, administer, and enforce this Act.

(b) Specific subjects.—Rules may include:

(1) certification standards;

(2) controller testing and recertification;

(3) grace-period calibration within the statutory maximum;

(4) correction-window procedures;

(5) secure log export;

(6) roadside reader specifications;

(7) chain-of-custody requirements;

(8) event receipt forms;

(9) exemption applications and verification;

(10) inspection forms;

(11) penalty schedules within statutory caps;

(12) compliance intervention procedures;

(13) retrofit assistance administration;

(14) public reporting formats; and

(15) quality-assurance and calibration review procedures.

(c) Limitations.—No rule shall:

(1) create an exemption not authorized by this Act;

(2) impose a penalty greater than the statutory cap;

(3) reduce the evidentiary standard required by Section 7; or

(4) authorize subjective citation based solely on roadside observation of belt status.

SECTION 22. PROHIBITION ON TAMPERING; MANUFACTURER AND OPERATOR ACCOUNTABILITY.

(a) Tampering prohibited.—No person shall knowingly disable, bypass, alter, spoof, obstruct, or impair the controller, event log, secure export function, or lockout mode required by this Act.

(b) Manufacturer duty.—A manufacturer shall not sell or distribute a controller with a known defect or known vulnerability that materially compromises compliance with this Act.

(c) Owner and operator duty.—The registered owner and driver shall maintain the controller in operable condition and shall not knowingly permit it to remain disabled after notice.

(d) Separate civil violation.—A violation of this section shall constitute a separate civil violation, independent of any seat-belt violation, and may support enhanced penalties or referral for other lawful action.

(e) Proof.—A tampering finding shall be based on evidence established under applicable administrative procedure law and may include diagnostic data, inspection results, audit trails, or certified forensic analysis.

SECTION 23. PUBLIC EDUCATION AND NOTICE.

(a) Education materials.—The administering authority shall prepare and distribute public education materials describing the obligations, exemptions, correction procedures, and enforcement framework of this Act.

(b) Notice to owners.—The authority shall provide notice to registered owners regarding:

(1) the effective dates applicable to their vehicle classes;

(2) retrofit assistance opportunities;

(3) certification requirements;

(4) exemption procedures; and

(5) the consequences of repeated verified events.

(c) Notice to enforcement personnel.—The authority shall train enforcement personnel on the evidentiary standard, chain-of-custody requirements, and limitations on citation authority under this Act.

(d) Language access.—Education materials, notices, and forms shall be made available in the languages and formats required by law.

SECTION 24. AUDIT AND INDEPENDENT REVIEW.

(a) Auditor review.—The State Auditor, Inspector General, or other independent oversight office shall review implementation, reporting accuracy, certification integrity, and penalty administration at intervals established by law.

(b) Access to records.—The oversight office shall have access to records necessary to evaluate compliance with this Act, subject to applicable privacy and confidentiality law.

(c) Corrective recommendations.—The oversight office may issue recommendations concerning calibration, certification, reporting, enforcement, and assistance programs.

(d) Agency response.—The administering authority shall respond in writing to any material recommendation within the period established by law or oversight request.

SECTION 25. SEPARATE OFFENSES; NO MERGER OF PROCEEDINGS.

(a) Separate offenses.—A violation of the seat-belt duty, a violation involving tampering, a certification violation, and a false exemption or false certification violation shall constitute separate offenses or violations when authorized by law.

(b) No merger of proceedings.—Nothing in this Act shall require merger of separate administrative proceedings that address distinct violations, provided that double recovery for the same civil penalty is not permitted absent express statutory authority.

SECTION 26. CONFIDENTIALITY; DISCLOSURE LIMITS.

(a) Confidential records.—Medical contraindication code records, individual event logs, and personal identifying information collected under this Act shall be treated as confidential to the extent required by law.

(b) Permitted disclosure.—Disclosure may be made only to the extent necessary for enforcement, adjudication, audit, certification, public reporting in aggregate form, or other lawful purpose.

(c) Public records.—Aggregate reports required by Section 17 shall be public records, but the administering authority shall redact personal identifiers except as expressly authorized by law.

(d) Retention and destruction.—The administering authority shall establish retention and destruction schedules that preserve evidence for enforcement and appeal while preventing indefinite unnecessary retention.

SECTION 27. APPROPRIATIONS; FUNDING SOURCE.

(a) Appropriation.—There is appropriated to the administering authority, from the General Fund or other lawful source, the sums necessary to carry out this Act, including rulemaking, certification, enforcement, reporting, oversight, retrofit assistance, and public education.

(b) Dedicated use.—To the extent penalty revenue or other revenue is dedicated by law to the purposes of this Act, the administering authority shall use those funds only for authorized implementation and assistance purposes.

(c) Budget request.—The administering authority shall include in each annual budget request sufficient detail concerning staffing, technology, public assistance, enforcement, and oversight needs arising under this Act.

SECTION 28. CONFORMING ADMINISTRATIVE ACTIONS.

(a) Forms and systems.—The administering authority shall revise forms, systems, and electronic interfaces necessary to implement this Act.

(b) Data interfaces.—The authority shall establish secure interfaces for verification of event logs, exemptions, certifications, and repair records.

(c) Local coordination.—State and local enforcement agencies shall coordinate on training, equipment, and record transmission as required by rule.

(d) Existing schedules.—Any existing traffic citation or civil assessment schedule inconsistent with this Act shall be amended to conform to this Act on the effective date applicable to the relevant provision.

SECTION 29. PENALTY COLLECTION AND USE OF FUNDS.

(a) Collection.—Civil penalties assessed under this Act shall be collected in the manner applicable to civil traffic penalties unless otherwise provided by law.

(b) Application of funds.—Funds collected under this Act shall be used only as authorized by appropriations and dedicated accounts established by law, including retrofit assistance, verification, inspection, training, victim services, trauma systems, and public-safety administration if so directed by the Legislature.

(c) No personal entitlement.—No person shall acquire a private right to any specific use of penalty revenue absent express statutory entitlement.

SECTION 30. LIMITATION ON PRIVATE RIGHT OF ACTION.

(a) No private right of action.—Except as expressly provided by law, this Act shall not create a private right of action for damages against the state, an agency, an officer, a manufacturer, an installer, a repair facility, or any other person.

(b) Existing remedies preserved.—Nothing in this section shall be construed to limit any remedy otherwise available under existing law for fraud, negligence, product liability, or other independent cause of action.

SECTION 31. ADMINISTRATIVE ADJUDICATION STANDARDS.

(a) Standard of proof.—Unless a different standard is required by law, the standard of proof in an administrative proceeding under this Act shall be preponderance of the evidence.

(b) Evidence admissibility.—Certified logs, event receipts, verification records, exemption records, repair records, calibration records, and certification records shall be admissible if authenticated in the manner prescribed by rule.

(c) Notice requirements.—A respondent shall receive notice of the alleged violation, the evidence relied upon, the penalty sought, the available defenses, and the time and method for requesting a hearing.

(d) Default.—If a respondent fails to timely request or appear for a hearing, the assessing agency may enter a default determination consistent with applicable administrative procedure law.

SECTION 32. JUDICIAL REVIEW.

(a) Right of review.—A final administrative decision under this Act shall be subject to judicial review to the extent provided by law.

(b) Scope.—Review shall include compliance with statutory authority, evidentiary sufficiency, due process, and any other issue authorized by law.

(c) Record on review.—The administrative record shall include the event receipt, log export, chain-of-custody documentation, exemption records, repair records, and hearing record.

SECTION 33. IMPLEMENTATION DEADLINES.

(a) Initial rules.—The administering authority shall adopt initial rules not later than 180 days after enactment, or sooner if required to meet the first enforcement date.

(b) Certification readiness.—Controller certification, installer certification, laboratory certification, and roadside reader readiness shall be completed before the first enforcement date for each covered vehicle class.

(c) Reporting start.—Quarterly reporting under Section 17 shall begin no later than the first full quarter after enforcement begins for the applicable vehicle class.

(d) Retrofits.—Retrofit assistance shall be operational before or concurrent with any penalty enforcement against older vehicles where feasible and in no case later than the first general enforcement date unless the Legislature authorizes a later date.

SECTION 34. ANNUAL REVIEW.

(a) Annual report.—In addition to quarterly reports, the administering authority shall submit an annual report to the Legislature summarizing:

(1) compliance trends;

(2) enforcement patterns;

(3) false-positive and false-negative indicators;

(4) exemption utilization;

(5) repair compliance;

(6) QA findings;

(7) budget execution;

(8) assistance program use; and

(9) recommended statutory changes.

(b) Legislative review.—The Legislature may review the annual report and may amend this Act based on the data and findings submitted.

SECTION 35. MISCELLANEOUS PROVISIONS.

(a) No waiver by inaction.—Failure of an agency to act within a time specified by rule shall not waive the underlying obligations imposed by this Act unless expressly provided by law.

(b) Electronic administration.—Where the administering authority permits electronic filing, electronic verification, or electronic notice under this Act, the authority shall maintain authentication, audit, and backup procedures sufficient to preserve integrity.

(c) Construction with other safety laws.—This Act shall be construed in harmony with other motor-vehicle safety laws, inspection laws, and civil enforcement laws to the extent not inconsistent with this Act.

(d) Headings.—Section headings are inserted for convenience only and shall not affect interpretation.

(e) Gender and number.—Words used in the singular include the plural, and words used in the plural include the singular, as the context may require.

SECTION 36. SEVERABILITY OF OPERATIONAL PROVISIONS.

(a) General severability.—If any provision of this Act or its application is held invalid, the remaining provisions and their applications shall remain in effect to the greatest extent possible.

(b) Specific severability.—If a court holds invalid any portion of the controller certification, log verification, exemption administration, penalty schedule, or reporting provisions, the remainder of those provisions shall continue in effect to the extent not dependent on the invalid portion.

(c) Legislative intent.—The Legislature declares that each section, subsection, paragraph, and clause is intended to stand independently to the maximum extent permitted by law.

SECTION 37. REPEALS OR CONFORMING OVERRIDES.

(a) Repeal of inconsistent law.—Any statute, ordinance, rule, or regulation inconsistent with this Act is repealed or superseded to the extent of the inconsistency on the effective date applicable to the relevant provision.

(b) Conforming changes.—The administering authority, and any other officer with rulemaking authority, shall make conforming changes to forms, records, schedules, and procedures necessary to implement this Act.

SECTION 38. EFFECTIVE OPERATION OF DUTIES.

(a) Independent duty.—The obligations under Sections 3 and 4 shall apply independently of whether a citation is issued, whether a lockout event is verified, or whether a proceeding is pending.

(b) Continuing compliance.—A person who becomes compliant after a verified event shall remain subject to recordkeeping, repair, or compliance-intervention requirements applicable to the event under this Act.

(c) No excuse by technical failure after notice.—After notice of a controller malfunction, a person shall not continue to operate the vehicle in a manner that evades or disables the controller except as permitted by a valid exemption or by emergency procedures expressly authorized by rule.

SECTION 39. EMERGENCY PROCEDURES.

(a) Temporary safe operation.—The administering authority may authorize temporary procedures for emergency operation when a certified controller malfunction would otherwise prevent movement, provided that such procedures shall be limited in duration and scope and shall not excuse compliance beyond the emergency period.

(b) Documentation.—Any emergency procedure authorized under this section shall be documented in the event log or in a certified emergency record.

(c) Review.—Emergency procedures shall be subject to later review and may not be used to create a general exemption.

SECTION 40. SAVINGS CLAUSE.

(a) Preservation of other law.—Nothing in this Act shall be construed to:

(1) impair any greater protection afforded by another law;

(2) limit any remedy otherwise available for fraud, product defect, or other independent violation;

(3) authorize disclosure prohibited by law; or

(4) authorize enforcement not otherwise permitted by law except as expressly provided in this Act.

(b) Cumulative authority.—The powers granted by this Act are cumulative and shall be construed to supplement, and not to limit, other lawful authority except where expressly stated otherwise.

Approved and adopted this ___ day of __________, 20___.

Analytical Comparison

The generated bill establishes a mandatory belt-use framework, enforcement, data reporting, penalties, and review. It aligns with the core legal duty and measurability of effective seat-belt regimes, while using a more technology-centered compliance design.

15. Case Analysis

Mexico City Hoy No Circula driving restrictions

Case type: historically weak or adverse practice.

Historical Legal Regime

Hoy No Circula restricted vehicle use in Mexico City according to calendar access categories tied to license plates or comparable classifications. The regime sought to reduce pollution and congestion by prohibiting driving on certain days. Its legal mechanism targeted scheduled access to the road network, while actual emissions, vehicle kilometers traveled, and incentives to purchase additional older vehicles remained secondary to the design.

Normative Request

Design an urban air-quality law to reduce vehicle emissions and congestion without inducing households to buy additional older vehicles or shift driving to other times.

Empirical Evidence

Davis found Mexico City's driving restrictions did not improve air quality and likely led to increased vehicle ownership and shifts in driving behavior.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Simple license-plate driving bans that encourage second-car purchases, especially older higher-emitting cars, without reducing total emissions. Preferred architecture: Emissions-based inspection and pricing, fleet modernization incentives, public transport improvements, congestion or pollution pricing, and monitoring of total vehicle kilometers and emissions.

Generated Bill

A BILL

To establish an Ex-ante Emissions Performance Transfer (EEPT-0) operational licensing system for qualifying older and high-emitting vehicles in designated urban corridor segments; to reduce vehicle emissions and congestion while preserving continuity of operation for current owners and preventing administrative throughput, service shortages, or spillover displacement from becoming de facto denial mechanisms; to provide for enforcement, reporting, rulemaking, funding, relation to existing law, severability, and an effective date; and for other purposes.

Be it enacted by the City Council of the City of __________ as follows:

SEC. 1. SHORT TITLE; FINDINGS; PURPOSE; CONSTRUCTION.

(a) Short title.--This Act may be cited as the “EEPT-0 Urban Corridor Air-Quality and Access Act”.

(b) Findings.--The Council finds that--

(1) concentrated traffic in designated urban corridor segments creates localized emissions exposure, congestion, delay, and spillover effects on bordering streets, pedestrian areas, and transit access points;

(2) older and high-emitting vehicles disproportionately contribute to near-road emissions and congestion in high-exposure corridors;

(3) a licensing system that conditions corridor access on objective emissions performance and repair completion can reduce emissions and congestion while preserving continuity of operation for current owners;

(4) service shortages, administrative backlog, and contractor throughput limitations may operate in practice as de facto denials unless the law provides statutory queue limits, guaranteed operating permission during remedy windows, and ring-fenced funding for missed service levels;

(5) a fixed spatial corridor emissions budget is necessary to avoid time-of-day pricing incentives and related trip-shifting behavior that displaces harm to other hours rather than reducing emissions;

(6) spillover protections are necessary to prevent congestion, delay, and pollution from being displaced onto bordering streets, school frontage, hospital frontage, transit stops, pedestrian crossings, and adjacent neighborhoods; and

(7) independent repair access, standardized reimbursement, auditing, and follow-up verification are necessary to preserve certification integrity and prevent administrative delay from becoming a hidden ban.

(c) Purpose.--The purposes of this Act are to--

(1) reduce vehicle emissions and congestion in designated corridor segments;

(2) preserve continuity of operation for current owners of qualifying vehicles during remedy windows and renewal cycles except as expressly provided by this Act;

(3) prevent administrative throughput, contractor shortages, or funding shortfalls from becoming a de facto revocation or denial mechanism;

(4) establish a fixed, emissions-weighted daily corridor emissions budget administered without time-of-day pricing incentives or peak/off-peak access windows;

(5) require corrective traffic management when spillover exceeds statutory thresholds; and

(6) provide for enforcement, reporting, auditing, appeals, appropriations, and relation to existing law.

(d) Construction.--This Act shall be construed--

(1) to require objective, published, and vehicle-specific criteria for access and renewal;

(2) to preserve continuity where service-capacity delay is attributable to the City or a City contractor;

(3) to prevent the creation of time-of-day pricing incentives, peak/off-peak access windows, or household fleet expansion incentives;

(4) to require that access restrictions and enforcement be administered in a manner that does not transform processing delay into a substantive denial; and

(5) to require that spillover displacement be addressed before corridor access rules are tightened.

(e) Nondiscrimination in administration.--In carrying out this Act, the City shall apply objective criteria without regard to household composition, income except as expressly provided for affordability caps and hardship status, or ownership of other vehicles except as expressly provided by this Act.

SEC. 2. SCOPE AND APPLICABILITY.

(a) General applicability.--This Act applies to--

(1) each qualifying older or high-emitting vehicle;

(2) each owner or operator of a qualifying vehicle;

(3) each contracted provider, testing provider, repair provider, auditor, and certification vendor participating in the EEPT-0 system;

(4) each City department or agent administering access, licensing, testing, repair, routing, monitoring, or enforcement under this Act; and

(5) any commercial-for-hire vehicle if the City elects by rule to include commercial-for-hire vehicles within the regulated class and corridor access scheme.

(b) Designation of corridor segments.--Not later than 90 days after the effective date of this Act, the City shall designate the initial designated corridor segments by ordinance or rule and shall publish--

(1) a corridor map;

(2) the boundary of each access point and curb-control area subject to this Act;

(3) the identity of bordering streets to be monitored under section 15; and

(4) any transit-stop, school-frontage, hospital-frontage, or pedestrian-protection zone included in the applicable monitoring network.

(c) Vehicle class subject to coverage.--The City shall define by rule the class of qualifying older or high-emitting vehicles subject to this Act using objective criteria that may include--

(1) model year;

(2) weight class;

(3) tailpipe emissions;

(4) on-road remote sensing results;

(5) prior certification status; and

(6) any other objective criterion consistent with this Act.

(d) Vehicle-specific application.--The City shall apply this Act to each regulated vehicle individually. No household shall satisfy the access requirement through ownership of additional qualifying vehicles that do not independently meet the licensing standard.

(e) Commercial and for-hire vehicles.--If the City elects to include commercial-for-hire vehicles under subsection (a)(5), the City shall apply the same vehicle-specific licensing, testing, remedy, renewal, audit, and spillover rules to such vehicles, subject only to any additional scheduling rules necessary for safety and access management.

(f) Relation to household ownership.--Household ownership of more than one vehicle shall not increase corridor access rights unless each vehicle independently qualifies for and holds a valid EEPT-0 operational license or is otherwise exempted by express statutory provision.

(g) Exclusions.--The City may exempt by rule only--

(1) emergency vehicles;

(2) vehicles used exclusively for emergency response;

(3) vehicles expressly exempted by state or federal law;

(4) vehicles temporarily exempted under a hardship permit issued under section 7(c) if the permit is consistent with the terms of this Act; and

(5) any other vehicle class that is demonstrably necessary for public safety or legally required emergency functions, as determined by the City on the basis of written findings.

SEC. 3. DEFINITIONS AND MEASUREMENT STANDARDS.

(a) Definitions.--In this Act:

(1) Adjacent bordering street.--The term “adjacent bordering street” means a street, roadway segment, curbside area, loading area, or transit-adjacent access point that lies within the network area identified by the City under section 15(a) as subject to spillover monitoring and corrective traffic management.

(2) Annual owner fee.--The term “annual owner fee” means the deterministic fee assessed under section 6(a) for a qualifying vehicle in a renewal cycle.

(3) Appeals officer.--The term “appeals officer” means an officer or body designated under section 18(f) to conduct expedited administrative review of notices, denials, suspensions, fee assessments, clawbacks, certification disputes, or hardship determinations.

(4) Bordering streets.--The term “bordering streets” means the streets and roadway segments identified by the City under section 15(a) that are immediately adjacent to, or are network-connected within the published spillover buffer of, a designated corridor segment.

(5) Certified hardship status.--The term “certified hardship status” means a status granted under section 7 that caps out-of-pocket owner payment, preserves continuity, and applies for the period and on the terms specified in that section.

(6) City.--The term “City” means the City of __________, acting through its council, transportation department, environmental department, licensing department, fiscal officer, contractors, and any other authorized agent or instrumentality.

(7) Compliance-liability pool.--The term “compliance-liability pool” means the ring-fenced account established under section 12 for the payment of service-shortfall costs, penalty liabilities, contracted capacity expenses, clawback offsets, and other authorized obligations of the EEPT-0 system.

(8) Confirmed fraud / serious noncompliance notice.--The term “confirmed fraud / serious noncompliance notice” means a written notice issued under section 5(b) that alleges, with particularized facts and supporting records, that an owner or operator has submitted false information, materially altered certification records, operated a vehicle in a manner constituting serious noncompliance, or engaged in other conduct expressly identified by rule as grounds for interruption of default renewal continuation.

(9) Corridor emissions budget.--The term “corridor emissions budget” means the fixed, emissions-weighted daily access allocation for designated corridor segments established under section 14.

(10) Designated corridor segments.--The term “designated corridor segments” means the roadway segments, access points, curbside zones, or lane-control areas identified by the City under section 2(b) and section 14(a) as subject to the EEPT-0 licensing requirement and the corridor emissions budget.

(11) Deterministic fee schedule.--The term “deterministic fee schedule” means the published fee structure applicable by vehicle category, renewal cycle, and other objective criteria under section 6(a), without regard to contemporaneous service capacity.

(12) EEPT-0 operational license.--The term “EEPT-0 operational license” means a vehicle-specific operating authorization required by this Act for a qualifying vehicle to access designated corridor segments.

(13) Emissions-weighted.--The term “emissions-weighted” means measured, calculated, or allocated according to a published method that gives greater weight to vehicles with higher tailpipe emissions, remote-sensing emissions, or other qualifying emissions metrics established under subsection (b).

(14) Follow-up verification.--The term “follow-up verification” means a post-repair emissions check, audit test, remote sensing review, or other confirmation test conducted under section 13.

(15) Hard queue limit.--The term “hard queue limit” means the statutory or rule-specified maximum number of days, described in section 11, within which the City shall issue an initial repair-complete certificate and any required follow-up confirmation after

receipt of proof of repair completion.

(16) Income-adjusted cap.--The term “income-adjusted cap” means the automatic limitation on owner out-of-pocket liability established under section 6(b), based on household income or an equivalent affordability measure adopted by rule.

(17) Interim test fluctuation.--The term “interim test fluctuation” means a variation in measured emissions or test result occurring during the period between a failed standardized emissions test and final issuance of a repair-complete certificate, including variations due to repair progress, retesting, or contractor scheduling.

(18) Neighborhood-level average travel delay.--The term “neighborhood-level average travel delay” means the average delay metric for bordering streets or adjacent bordering streets calculated by the City under section 15(b).

(19) Operating permission.--The term “operating permission” means the statutory authorization to operate a qualifying vehicle on designated corridor segments or under the applicable remedy window without suspension, cancellation, or denial except as expressly provided by this Act.

(20) Particulate proxy.--The term “particulate proxy” means a published air-quality or exposure metric used by the City under section 15(b) to estimate particulate or near-road pollution impacts.

(21) Remedy Order.--The term “Remedy Order” means a written directive issued under section 8(a) requiring repair, remediation, or other corrective action by a contracted provider.

(22) Remedy window.--The term “remedy window” means the period beginning on issuance of a Remedy Order and ending on the earlier of completion of the required remedy and issuance of the repair-complete certificate or the expiration of the maximum period established by rule under section 8(c), as automatically extended under section 10(b) or section 11(d) where applicable.

(23) Repair-complete certificate.--The term “repair-complete certificate” means a certificate issued under section 11 confirming completion of required remediation or repair, supported by diagnostics-backed evidence.

(24) Repair-complete status.--The term “repair-complete status” means the status of a vehicle that has received a repair-complete certificate and is eligible for priority under section 14(d).

(25) Renewal cycle.--The term “renewal cycle” means the annual or other fixed period established by rule for renewal of an EEPT-0 operational license.

(26) Risk-scored.--The term “risk-scored” means assigned a higher or lower audit probability under an objective scoring method based on emissions level, failure history, evidence integrity, vehicle class, or other objective factors published under section 13(b).

(27) Service failure.--The term “service failure” means missed testing, missed certification, missed repair-slot assignment, inability to provide contracted service within the applicable statutory period, or failure to issue required documents within the hard queue limit.

(28) Service slot.--The term “service slot” means the maximum period within which the City shall make contracted testing, repair, or certification service available after a failed standardized emissions test.

(29) Spillover threshold.--The term “spillover threshold” means the maximum permitted level of neighborhood-level average travel delay or particulate proxy on bordering streets established under section 15(c).

(30) Standardized emissions test.--The term “standardized emissions test” means an objective emissions testing procedure prescribed under section 8(b) using published methods, measurement standards, calibration requirements, and acceptance criteria.

(31) Statutory deadline.--The term “statutory deadline” means the deadline established by this Act or by rule adopted under this Act, including deadlines for notice, service, certification, appeals, and publication.

(32) Valid remedy window.--The term “valid remedy window” means a remedy window that has commenced without a confirmed fraud / serious noncompliance notice and that has not been terminated by a final administrative or judicial determination.

(b) Measurement standards.--The City shall use standardized measurement standards for emissions testing, certification, and follow-up verification. Those standards shall include calibration requirements, chain-of-custody procedures, sampling tolerances, and documentation requirements sufficient to permit audit and review.

(c) Technical standards.--The City may adopt technical standards only to the extent consistent with this Act’s continuity, queue, and spillover safeguards.

(d) Measurement proxies.--The City shall define the measurement proxies for delay and particulate impacts used to evaluate spillover thresholds and shall publish the methodology for calculating those proxies before implementation.

(e) Publication of operative standards.--Before implementation, the City shall publish the glossary of operative terms, technical standards, calibration rules, proxy definitions, and any model or conversion table used under this Act.

SEC. 4. EEPT-0 OPERATIONAL LICENSE REQUIRED.

(a) Requirement.--A qualifying vehicle shall hold an EEPT-0 operational license to enter designated corridor segments.

(b) Vehicle-specific and nontransferable.--The license shall be vehicle-specific and shall not be transferable to another vehicle or household account.

(c) Access denial for unlicensed vehicles.--The City shall deny corridor access to an unlicensed qualifying vehicle except as otherwise expressly allowed during a valid remedy window, a provisional continuity period, or a hardship permit period under this Act.

(d) Display and verification.--The City shall establish a method for electronic or physical verification of license status at entry points, curb-control points, or other lawful enforcement locations.

(e) Registry.--The City shall maintain a registry of--

(1) each licensed vehicle;

(2) the vehicle identifier linked to each license;

(3) the license status, including issuance, renewal, extension, expiration, suspension, and revocation;

(4) any remedy order, repair-complete certificate, or audit result associated with the vehicle; and

(5) any hardship status, appeal, or enforcement action.

(f) No pooling of rights.--The City shall not create, by rule or practice, household pooling, vehicle pooling, or account pooling of access rights.

(g) Provisional continuity.--The City may establish a provisional continuity period for vehicles that are timely under review or pending issuance of a required document, provided that--

(1) the period does not operate as a time-of-day incentive;

(2) the period does not displace the default renewal continuation rule in section 5; and

(3) the period preserves continuity rather than creating new denial authority.

(h) Single-shot verification.--If the City uses roadside, camera, electronic, or other entry verification, the City shall use a single-stage verification model. A denial shall trigger one immediate response only, consisting of preloaded navigation guidance to an authorized route, a provisional continuity determination where applicable, or a temporary permit for verified or curable uncertainty.

(i) Boundary retries prohibited.--The City shall not require repeated retries at the same boundary, repeated reapplication, or serial reprocessing as a condition of lawful corridor access.

SEC. 5. DEFAULT RENEWAL CONTINUATION.

(a) Default continuation rule.--For each renewal cycle, the default outcome shall be license continuation unless the City has filed a confirmed fraud / serious noncompliance notice by the statutory deadline.

(b) Deadline for notice.--Not later than 30 days before the expiration of the then-current renewal cycle, the City shall either--

(1) renew the license under subsection (a); or

(2) serve a confirmed fraud / serious noncompliance notice on the owner and operator, if known, stating the basis for interruption.

(c) Grounds for interruption.--The City may interrupt renewal only if the notice under subsection (b) is based on--

(1) confirmed fraud in the application, test, or certification record;

(2) serious noncompliance with a lawful order that is supported by record evidence;

(3) a final administrative or judicial order requiring interruption; or

(4) any other ground expressly stated in this Act.

(d) No capacity confirmation requirement.--The City shall not require real-time capacity confirmation, contractor queue confirmation, or internal service-capacity certification as a condition of renewal continuation.

(e) Service-delay rule.--If the City fails to issue a notice under subsection (b) by the deadline, the license shall continue for the next renewal cycle subject to the fee and compliance requirements otherwise applicable under this Act.

(f) Appeal.--A notice under this section shall be immediately appealable under section 18.

(g) Continuity pending appeal.--During an appeal of a notice under this section, the license shall remain in force unless stayed by final order based on a finding of imminent, particularized public safety risk supported by evidence.

(h) Proof of service.--The City shall preserve proof of service for any notice under this section and shall include the proof of service in the administrative record.

SEC. 6. DETERMINISTIC FEE SCHEDULE; INCOME-ADJUSTED CAP; HARDSHIP STATUS.

(a) Deterministic owner fee.--The annual owner fee shall be deterministic by vehicle category and renewal cycle. The City shall publish the fee schedule before the start of each renewal cycle.

(b) Income-adjusted cap.--The annual owner fee shall be subject to an automatic income-adjusted cap.

(1) The cap shall apply without the need for a separate discretionary finding of hardship where household income data available to the City or supplied by the applicant establishes eligibility under the published formula.

(2) The City shall permit use of documentary, attested, or programmatic income data reasonably sufficient to apply the cap.

(3) The City shall not condition application of the cap on contemporaneous proof of service capacity.

(c) Certified hardship status.--The City shall grant certified hardship status when the statutory conditions are met.

(1) The City shall create an automatic screening process or a simplified application process for hardship status.

(2) The City shall issue a hardship determination within 10 business days after receipt of sufficient information.

(3) Hardship status shall preserve license continuity during the applicable period.

(4) Hardship status shall not depend on real-time service capacity confirmation.

(d) No retroactive fee increase.--The City shall not impose retroactive fees for the same renewal cycle.

(e) Refunds and credits.--If the City collects an amount in excess of the annual owner fee as capped under subsection (b), the City shall issue a refund or credit within 30 days after the excess is determined.

(f) Public publication.--The City shall publish--

(1) the deterministic fee schedule;

(2) the income-adjusted cap formula;

(3) the hardship status criteria;

(4) any application forms or data standards necessary to claim the cap; and

(5) the annual review timetable.

(g) Appeal rights.--A denial, reduction, or revocation of hardship status shall be appealable under section 18.

(h) Fee ledger.--The City shall maintain a fee ledger showing assessment, cap application, payment, waiver, credit, and refund status for each regulated vehicle.

SEC. 7. AUTOMATIC HARDSHIP STATUS AND CONTINUITY PROTECTION.

(a) Automatic screening.--The City shall create an automatic screening process or simplified application process for hardship designation and shall make the process available without charge.

(b) Criteria.--The City shall grant certified hardship status when the applicant satisfies the published affordability criteria or other objective hardship criteria adopted by rule consistent with this Act.

(c) Continuity.--Hardship status shall preserve license continuity during the applicable period and shall not be conditioned on contemporaneous service-capacity confirmation.

(d) Temporary permit.--The City may issue a hardship permit for a narrow category of vehicles or uses only where necessary to preserve continuity and subject to a fixed duration and written findings. A hardship permit shall not be used to create time-band substitutions or time-of-day access incentives.

(e) Timeliness.--The City shall issue a hardship determination within 10 business days after receipt of sufficient information. If the City fails to act within that period, provisional hardship continuity shall continue until a final determination is issued.

(f) Renewal of hardship status.--The City shall provide a simplified renewal process for continuing hardship status and shall not require redundant information that is already available to the City.

(g) Appeal.--A denial, reduction, suspension, or revocation of hardship status shall be appealable under section 18.

SEC. 8. STANDARDIZED EMISSIONS TESTING AND CERTIFICATION.

(a) Testing requirement.--The City shall require standardized emissions testing for regulated vehicles at intervals established by rule.

(b) Standardized methods.--The City shall use standardized measurement standards for emissions testing, certification, and follow-up verification.

(c) Technical standards.--The City may adopt technical standards only to the extent consistent with this Act's continuity, queue, and spillover safeguards.

(d) Test result notice.--The City or its contractor shall provide written test results not later than 3 business days after completion of the test, including--

(1) pass or fail status;

(2) measured or estimated emissions values;

(3) the applicable standard;

(4) the basis for failure, if any; and

(5) the available remedy pathway.

(e) Failure outcome.--A vehicle that fails the standardized emissions test shall receive a Remedy Order rather than immediate license cancellation, except as expressly provided for confirmed fraud or serious noncompliance.

(f) Interim fluctuation protection.--Interim test fluctuations shall not cancel the license during a valid remedy window.

(g) Retesting.--The City shall permit retesting as part of the remedy process, subject to the hard queue limit under section 11.

(h) Recordkeeping.--The City shall retain test records, calibration records, and chain-of-custody records for each standardized emissions test and any follow-up verification.

(i) Access to data.--An owner or operator shall have access to the test data, calibration summary, and remedial basis sufficient to challenge an erroneous result.

(j) Failure response.--If a vehicle fails the standardized emissions test, the City shall issue a Remedy Order to a contracted provider and shall identify the remedy window, service slot, and appeal rights in the notice.

SEC. 9. REMEDY ORDERS AND OPERATING PERMISSION DURING REMEDY WINDOWS.

(a) Issuance of Remedy Order.--If a vehicle fails the standardized emissions test, the City shall issue a Remedy Order to a contracted provider.

(b) Content of Remedy Order.--A Remedy Order shall specify--

(1) the vehicle identifier;

(2) the test basis for the failure;

(3) the required repair, remediation, or corrective action;

(4) the remedy window;

(5) the available contracted providers or provider selection process;

(6) the right to appeal if the failure determination is disputed; and

(7) the operating permission status under subsection (c).

(c) Operating permission.--Operating permission shall continue automatically for the full remedy window.

(d) No cancellation based on interim fluctuations.--The City shall not cancel the license during a remedy window on the basis of interim emissions fluctuations.

(e) Provider assignment.--The City shall assign a contracted provider or permit selection from a list of eligible providers within the service slot established under section 10(a).

(f) Compliance by remedy.--Completion of the required remedy and issuance of the repair-complete certificate shall satisfy the remedial obligation for the cycle, subject to follow-up verification under section 13.

(g) Notice of expiration.--If the remedy window will expire before completion, the City shall provide written notice at least 5 business days before expiration, unless the owner has failed to cooperate with a scheduled service slot or has engaged in confirmed fraud.

(h) Emergency extension.--If the City or a contracted provider fails to issue a required document on time, the remedy window shall extend automatically until the document is issued or an appeal or judicial order resolves the issue.

SEC. 10. SERVICE SLOT OBLIGATIONS; AUTOMATIC EXTENSION FOR MISSED SERVICE.

(a) Maximum service slot.--The City shall provide a maximum 30-day service slot for required testing, repair, or certification services.

(b) Automatic extension upon missed service slot.--If the service slot is missed, license continuity shall be preserved and the remedy window shall be automatically extended without additional fees or access restrictions.

(c) Service failure not attributable to owner.--Service failure shall not become an owner restriction, and any delay attributable to the City or a City contractor shall be treated as a City administrative delay for purposes of this Act.

(d) Rescheduling.--If rescheduling is required, the City shall offer the earliest available new slot and shall preserve continuity during the rescheduled period.

(e) No penalty for missed slot.--No penalty, surcharge, cancellation, or access suspension shall be imposed solely because the City or a City contractor failed to meet the service slot deadline.

(f) Public reporting.--The City shall report the number of service slots scheduled, met, missed, and extended, disaggregated by contractor, testing center, and repair provider.

(g) Slot notices.--The City shall provide the owner with notice of any slot assignment, missed slot, extension, or rescheduled date not later than 2 business days after the City becomes aware of the event.

SEC. 11. CERTIFICATION DEADLINES; QUEUE LIMITS; REPAIR-COMPLETE CERTIFICATES.

(a) Publication of X.--The City shall publicly publish the number of days, X, within which an initial repair-complete certificate and follow-up confirmations must be issued after repair completion. The City shall publish X at enactment and before enforcement begins.

(b) Issuance deadline.--The City shall issue the repair-complete certificate within X days after receipt of proof of repair completion.

(c) No unrelated backlog condition.--The City shall not condition certificate issuance on unrelated administrative backlog, budget exhaustion, or pending unrelated review.

(d) Automatic extension for queue delay.--If the City fails to issue the certificate within X days, the remedy window shall remain open and operating permission shall continue until the certificate is issued or the delay is resolved through an appeal or judicial order.

(e) Repair-complete evidence.--A repair-complete certificate shall include diagnostics-backed evidence sufficient to support random follow-up verification and clawback review under section 13.

(f) Follow-up confirmations.--Any required follow-up confirmation shall be issued within the same hard queue limit unless a different published deadline is expressly authorized by this Act and is no longer than the initial period.

(g) Public queue report.--The City shall publish monthly queue statistics, including the average and maximum days to certificate issuance, provider-level performance, and the percentage of certificates issued within X days.

(h) Remedy for queue failure.--If the City repeatedly fails to meet the hard queue limit, the City shall initiate corrective procurement, staffing, or contracting measures and shall report the corrective action to the oversight body within 30 days.

(i) Proof of completion.--The owner may submit proof of repair completion by any reasonably verifiable method established by rule, including electronic submission, provider certification, or diagnostic upload.

SEC. 12. COMPLIANCE-LIABILITY POOL.

(a) Establishment.--The City shall establish a ring-fenced compliance-liability pool.

(b) Permitted uses.--The pool shall pay--

(1) penalties or liquidated shortfall amounts authorized by this Act;

(2) contracted capacity expenses incurred to meet statutory service levels;

(3) costs associated with missed service levels;

(4) clawback offsets when authorized under section 13;

(5) audit and verification expenses expressly authorized by this Act; and

(6) any other obligation expressly assigned to the pool by ordinance or rule consistent with this Act.

(c) Noncommingling.--The pool shall be maintained separately from the general fund and shall not be commingled with unrelated revenues.

(d) Ex ante funding.--The City shall fund the pool in advance by appropriation, dedicated revenue, grants, or other lawful revenue sources sufficient to support the obligations reasonably expected under this Act.

(e) No de facto denial.--Funding shortfalls shall not trigger de facto denial of testing, repair, certification, or renewal continuity.

(f) Accounting.--The fiscal officer shall maintain a public accounting of--

(1) deposits;

(2) expenditures;

(3) commitments;

(4) reserves;

(5) liabilities; and

(6) expected shortfalls.

(g) Audit.--The pool shall be subject to annual independent audit.

(h) Insolvency response.--If projected liabilities exceed available funds, the City shall, within 15 business days--

(1) submit a supplemental appropriation request;

(2) expand contracted capacity where feasible;

(3) adjust procurement terms within the limits of law; and

(4) notify the oversight body of the deficit and the corrective plan.

(i) Payment priority.--The City shall use the compliance-liability pool first to satisfy missed service-level costs and certification delay obligations before using general-fund appropriations for the same purpose.

SEC. 13. RANDOM FOLLOW-UP VERIFICATION; RISK-SCORED AUDITS; CLAWBACK.

(a) Random follow-up verification required.--The City shall conduct statistically significant random follow-up verification of remedy-complete vehicles.

(b) Risk-scored audit probability.--Audit probability shall be risk-scored, with higher probability assigned to higher emitters or higher-risk cases.

(c) Published audit method.--The City shall publish the audit method, including--

(1) the risk factors used;

(2) the range of audit probabilities;

(3) the statistical basis for significance;

(4) the follow-up windows Y days and Z kilometers; and

(5) any exceptions limited to confirmed fraud or final administrative necessity.

(d) Publication of Y and Z.--The City shall publish Y and Z at enactment or by rule before enforcement begins.

(e) Clawback authority.--If a follow-up test fails within Y days or Z kilometers after the repair-complete certificate is issued, the City may claw back reimbursement or related payment as authorized by law.

(f) Notice and response.--Before finalizing a clawback, the City shall provide written notice and a reasonable opportunity to respond.

(g) No punitive retroactivity beyond authorization.--The clawback under this section shall not exceed the amount of reimbursement or related payment actually received, except as otherwise authorized by a final fraud finding or other applicable law.

(h) Record retention.--The City shall retain audit selection logs, follow-up results, and clawback records.

(i) Bias review.--The City shall conduct an annual review of audit outcomes to determine whether the risk-scoring method is operating accurately and without unlawful discrimination or arbitrary effect.

(j) Audit adjustment.--If the annual review identifies material error, the City shall revise the risk-scoring parameters, publish the revision, and maintain prior continuity protections for vehicles already within a valid remedy window.

SEC. 14. FIXED CORRIDOR EMISSIONS BUDGET.

(a) Establishment.--The City shall use a fixed, emissions-weighted daily corridor emissions budget for the designated corridor segments.

(b) Fixed horizon.--The corridor emissions budget shall remain fixed for the planning horizon established by rule, except as expressly modified under subsection (f).

(c) No time-of-day incentives.--The City shall not use peak/off-peak windows or time-of-day fee gradients.

(d) Budget exhaustion.--If demand exceeds the corridor emissions budget, access priority shall be determined by eligibility level only.

(e) Eligibility level.--For purposes of subsection (d), eligibility level shall be determined by--

(1) EEPT-0 operational license status;

(2) repair-complete status;

(3) hardship permit status, if any; and

(4) any other objective tier expressly authorized by rule that does not depend on waiting behavior, rescheduling, or time-of-day choice.

(f) Relaxation of budget.--Any relaxation of the corridor emissions budget shall occur only if--

(1) independent monitoring verifies improved on-corridor emissions;

(2) the City publishes the basis for the relaxation;

(3) the City provides not less than 30 days’ lead time before the relaxed budget takes effect; and

(4) the relaxation is consistent with the spillover threshold and route protection requirements of section 16.

(g) No automatic widening for capacity shortfalls.--The City shall not automatically widen the corridor emissions budget because compliance slots fall below 90 percent or because system capacity is insufficient.

(h) Fixed-budget response to missed targets.--If corridor targets are missed due to system capacity, the City shall--

(1) increase audit intensity for low-emitter compliance as authorized by section 13;

(2) expand contracted capacity using the compliance-liability pool; and

(3) adjust vehicle categorization or weight/class limits within the same emissions-budget envelope.

(i) Public dashboard.--The City shall publish a dashboard reflecting the corridor budget, utilization, denied access events, priority allocations, and budget changes.

(j) Budget integrity.--The City shall not permit a budget relaxation or corridor widening solely on the basis of administrative throughput, backlog, or service capacity shortfall.

SEC. 15. SPILLOVER NETWORK DELAY AND PARTICULATE CAP.

(a) Monitoring network.--The City shall identify and monitor bordering streets, adjacent bordering streets, transit-stop access areas, school frontage, hospital frontage, and other high-susceptibility zones affected by corridor operations.

(b) Measures.--The City shall measure neighborhood-level average travel delay and particulate proxy levels on the monitored network using published methods.

(c) Spillover threshold.--The City shall establish a statutory spillover threshold for the monitored network.

(d) No exceedance by corridor changes.--Lane and curb priority changes supporting EEPT corridor operations shall not increase neighborhood-level average travel delay or particulate proxy levels on bordering streets above the spillover threshold.

(e) Consequence of exceedance.--If spillover exceeds the threshold, the City shall implement corrective traffic management within the required timeframe under subsection (f).

(f) Timing.--The City shall implement corrective traffic management not later than 10 business days after detection of exceedance, unless a shorter period is required by rule for acute episodes.

(g) No tightening before correction.--The City shall not tighten corridor access rules until required spillover corrections are implemented.

(h) Public notice.--The City shall publish spillover monitoring results and any exceedance notice within 5 business days after confirmation.

(i) Repeated exceedance.--If spillover exceeds the threshold in two consecutive monitoring windows, the City shall escalate corrective traffic management and may not expand access restrictions beyond the minimum necessary until the exceedance is resolved.

SEC. 16. CORRECTIVE TRAFFIC MANAGEMENT AND ROUTE PROTECTION.

(a) Required corrective measures.--The City shall use corrective traffic management when spillover or displacement exceeds statutory limits.

(b) Permitted measures.--Corrective traffic management may include--

(1) incident management;

(2) signal retiming;

(3) temporary reallocation of priority capacity;

(4) curb loading management;

(5) selective entry limits at major approaches;

(6) alternative routing capacity;

(7) transit stop protection measures; and

(8) any other measure published under the adopted plan that is consistent with this Act.

(c) Multi-path routing.--The City shall not use a single reroute path when multiple precomputed routes are required by the adopted plan.

(d) Exposure-weighted load cap.--Any routed traffic shall be distributed among precomputed routes in a manner that does not increase exposure-weighted vehicle-kilometers in the recipient corridors beyond the statutory ceiling established by rule.

(e) Route protection.--The City shall preapprove route sets sufficient to avoid concentrated rerouting onto a single bordering street or transit-access corridor.

(f) Transit and pedestrian protection.--The City shall protect transit stops, pedestrian crossings, and boarding areas from rerouted congestion through curb, signal, or access management measures.

(g) Predeployment of routes.--The City shall publish the route set and any associated access-control rules before enforcement begins and shall update them only in accordance with section 17.

(h) No single-path dependency.--Where routing or diversion is used, the City shall maintain at least two precomputed alternatives unless the City makes written findings that fewer alternatives are necessary for emergency safety management.

(i) Exposure cap.--The City shall not adopt a corrective routing measure that increases exposure-weighted traffic in any recipient corridor above the published exposure-weighted load cap.

SEC. 17. RULEMAKING, PUBLICATION, AND TECHNICAL STANDARDS.

(a) Rulemaking authority.--The City may adopt technical standards for testing, auditing, routing, and measurement only within the limits of this Act.

(b) Public process.--The City shall adopt rules under this Act through notice-and-comment or equivalent public process.

(c) Publication of operative standards.--Before implementation, the City shall publish--

(1) queue limits;

(2) thresholds;

(3) route rules;

(4) service standards;

(5) the corridor emissions budget formula;

(6) the spillover threshold;

(7) the deterministic fee schedule;

(8) the income-adjusted cap formula;

(9) the audit method;

(10) the hard queue limit X; and

(11) the follow-up verification windows Y and Z.

(d) No time-of-day incentives.--The City shall not adopt rules that introduce time-of-day incentives, peak/off-peak access windows, or fee gradients based on time of travel.

(e) No weakening of continuity protections.--The City shall not adopt rules that weaken the continuity protections in sections 5, 8, 9, 10, or 11.

(f) Rule history archive.--The City shall maintain a publicly accessible archive of all rules, amendments, effective dates, and superseded versions.

(g) Emergency temporary rules.--The City may adopt emergency temporary rules only if the City makes written findings that the rule is necessary to prevent immediate harm, that the rule is narrowly tailored, and that the rule does not suspend the continuity protections in this Act except to the minimum extent permitted by law.

(h) Publication timing.--The City shall publish any operative rule or technical standard not later than 30 days before it takes effect, unless a shorter period is necessary for a declared emergency and the City provides written justification.

(i) Change cap.--The City shall not change the published threshold, route rule, or technical standard more than twice in any 12-month period, except upon a finding of immediate public safety necessity supported by written record evidence.

SEC. 18. ENFORCEMENT; PENALTIES; HEARINGS; APPEALS.

(a) Enforcement authority.--The City shall enforce false certification, confirmed fraud, serious noncompliance, unlicensed corridor access, and other violations of this Act through authorized penalties and administrative actions.

(b) Limits on enforcement.--The City may not use ordinary enforcement tools to cancel a license during a valid remedy window unless the statutory fraud threshold is met.

(c) Notice.--Before imposing a penalty, clawback, fee denial, or license suspension under this Act, the City shall provide written notice stating the factual basis and the legal authority for the action.

(d) Hearing rights.--The City shall provide notice and hearing rights for enforcement actions affecting licenses, fees, clawbacks, certifications, hardship status, or access denials.

(e) Expedited review.--The City shall establish expedited review procedures for urgent disputes concerning operating permission, service-slot failures, or queue-limit violations.

(f) Appeals officer.--The City shall designate an appeals officer or administrative appeals body with authority to--

(1) stay an enforcement action where necessary to preserve continuity pending review;

(2) order issuance of a document unlawfully withheld;

(3) reverse or modify a notice, denial, suspension, or clawback;

(4) award appropriate administrative relief consistent with this Act; and

(5) refer confirmed fraud matters for further action.

(g) Burden of proof.--The City shall bear the burden of proving any enforcement allegation under this section by the applicable standard established by law, and the City shall prove with record evidence any claim that a remedy window may be interrupted.

(h) Public enforcement summary.--The City shall maintain a public enforcement summary, with privacy protections, showing the number and type of notices, appeals, outcomes, and penalties imposed.

(i) Ombuds review.--The City shall designate an ombuds or oversight official to review recurring delay, error, or contractor failure in the administration of this Act.

(j) Civil penalties.--The City may impose civil penalties for knowingly false submissions, fraudulent certifications, or unlawful access, provided that penalties are calibrated to the seriousness of the violation and are not used to punish service-delay victims.

(k) Stay of ordinary enforcement.--While a timely appeal is pending under this section, ordinary enforcement shall be stayed unless the appeals officer makes written findings of imminent, particularized public safety risk.

SEC. 19. REPAIR ECOSYSTEM PROTECTIONS.

(a) Independent repair eligibility.--Independent repair shops shall remain eligible under standardized reimbursement rates and diagnostic tooling access.

(b) Reimbursement rates.--The City shall publish standardized reimbursement rates for eligible repair, diagnostic, and certification services.

(c) Diagnostic tooling access.--The City shall ensure access to diagnostic tools, interfaces, or data reasonably necessary for certification, repair, and follow-up verification.

(d) Repair-complete evidence.--Repair-complete certificates shall include diagnostics-backed evidence sufficient to support random follow-up verification and clawback review.

(e) Expedited arbitration.--Disputes regarding reimbursement or certification shall proceed to expedited arbitration within 30 days.

(f) Arbitration procedures.--The City shall establish arbitration procedures that provide--

(1) prompt notice;

(2) a written record;

(3) an opportunity to be heard;

(4) a reasoned decision; and

(5) timely implementation of any relief ordered.

(g) Provider participation.--The City shall not exclude a repair provider solely because the provider is independent, nonexclusive, or not affiliated with a vehicle seller.

(h) Bottleneck review.--If provider bottlenecks materially affect service levels, the City shall review contracting, reimbursement, and provider participation rules and shall report corrective actions to the oversight body.

(i) Certification record.--The City shall permit a provider to attach diagnostics-backed evidence in a standardized digital or paper form established by rule.

SEC. 20. REPORTING, AUDITS, AND PUBLIC TRANSPARENCY.

(a) Quarterly report.--Not later than 30 days after the end of each calendar quarter, the City shall submit a report to the oversight body containing--

(1) the number of EEPT-0 licenses issued, renewed, extended, suspended, or revoked;

(2) the number of Remedy Orders issued;

(3) service-slot wait times, missed slots, and automatic extensions;

(4) the number of repair-complete certificates issued within X days;

(5) the number and rate of random follow-up verifications;

(6) the number of clawbacks and the amount recovered;

(7) corridor emissions budget utilization;

(8) spillover measurements and exceedances;

(9) corrective traffic management actions taken;

(10) compliance-liability pool balances and expenditures; and

(11) provider participation and dispute statistics.

(b) Annual audit.--The City shall conduct or procure an annual independent audit of--

(1) registry accuracy;

(2) fee schedule application;

(3) hardship determinations;

(4) service-slot compliance;

(5) queue-limit compliance;

(6) audit selection integrity;

(7) pool accounting;

(8) spillover monitoring; and

(9) adherence to the no-time-of-day-incentive rule.

(c) Public dashboard.--The City shall maintain a public dashboard reflecting aggregate performance metrics, map boundaries, published standards, and current policy parameters.

(d) Data quality review.--The City shall annually review whether the measurement proxies, risk-scoring model, and spillover metrics remain valid and shall publish any recommended technical changes.

(e) Corrective action plan.--If an annual audit identifies material noncompliance, the City shall submit a corrective action plan within 45 days after receiving the audit.

(f) Transparency.--The City shall make nonconfidential reports, maps, rules, thresholds, and audit summaries publicly available in machine-readable form.

SEC. 21. RELATION TO EXISTING LAW.

(a) Supersession of inconsistent local rules.--This Act shall control over any inconsistent local ordinance, administrative rule, permit condition, or departmental policy to the extent allowed by law.

(b) Consistent construction.--The City shall construe all existing local laws and rules governing traffic, licensing, emissions, street access, curb management, and enforcement in a manner consistent with this Act.

(c) Conforming amendments.--The City shall adopt conforming amendments to existing ordinances and rules to the extent necessary to implement this Act.

(d) Preservation of other law.--Except as expressly modified by this Act, all other applicable laws shall remain in effect.

(e) No implied repeal beyond inconsistency.--Nothing in this Act shall be construed to repeal any law except to the extent of direct and unavoidable inconsistency.

(f) Higher law.--Nothing in this Act shall be construed to require a violation of state or federal law, and the City shall administer this Act in a manner consistent with applicable higher law.

SEC. 22. APPROPRIATIONS; DEDICATED REVENUES; FISCAL ADMINISTRATION.

(a) Appropriations authorized.--The City may appropriate such sums as are necessary to carry out this Act, including sums for testing, certification, audits, traffic management, public reporting, appeals, contractor payments, and compliance-liability pool funding.

(b) Dedicated revenues.--The City may dedicate revenues from annual owner fees, civil penalties, grants, appropriations, or other lawful sources to the implementation of this Act.

(c) Use of funds.--Funds appropriated or dedicated under this section shall be used only for purposes authorized by this Act.

(d) Fiscal controls.--The fiscal officer shall establish accounting controls sufficient to ensure that funds intended for the compliance-liability pool, corrective traffic management, or repair ecosystem protections are not diverted to unrelated uses.

(e) Supplemental appropriation.--If projected liabilities or service obligations exceed appropriated amounts, the City shall submit a supplemental appropriation request and shall report the projected shortfall and corrective measures to the oversight body.

(f) No funding-based denial.--No lack of appropriated funds shall be used as the sole basis to deny continuity, repair, certification, or appeal rights provided by this Act.

(g) Reserve priority.--The City shall maintain reserves sufficient, in the reasonable judgment of the fiscal officer and oversight body, to cover anticipated service-level liabilities, audit costs, and corrective traffic management obligations for the next renewal cycle.

SEC. 23. TRANSITION; IMPLEMENTATION SCHEDULE; CONFORMING ACTIONS.

(a) Initial publication deadlines.--Before the first enforcement date, the City shall publish--

(1) the designated corridor segments;

(2) the vehicle class subject to coverage;

(3) the deterministic fee schedule;

(4) the income-adjusted cap formula;

(5) the hard queue limit X;

(6) the follow-up verification windows Y and Z;

(7) the spillover threshold;

(8) the route set and corrective traffic management plan;

(9) the application and renewal procedures;

(10) the audit method; and

(11) the implementation timetable.

(b) Registry and contractor readiness.--Within 120 days after the effective date, the City shall establish the licensing registry, entry verification system, contracting framework, compliance-liability pool, hardship process, and appeal procedures.

(c) Testing and calibration.--Before the first enforcement date, the City shall complete public guidance, contractor onboarding, calibration of testing systems, and publication of preapproved alternate routes and corrective traffic measures.

(d) Phase-in.--The City may phase in technical systems as authorized by schedule, provided that phase-in does not postpone publication of the operative standards or diminish continuity protections.

(e) Grace period.--During the initial implementation period, the City shall provide notice rather than penalty for first-instance technical failures attributable to incomplete system deployment, except in cases of confirmed fraud or serious public safety risk.

(f) Transition for current owners.--Current owners of qualifying vehicles shall receive continuity protection during the transition period and shall not be treated as unlicensed solely because the City has not completed system readiness.

(g) Conforming actions.--The City shall adopt conforming ordinances, procurement actions, and departmental directives necessary to implement this Act.

(h) Completion certification.--The City shall certify to the oversight body when the initial implementation requirements in this section have been completed.

(i) Public readiness notice.--Not less than 30 days before first enforcement, the City shall publish a readiness notice describing operational systems, public support channels, testing locations, and appeal contacts.

SEC. 24. SEVERABILITY.

If any provision of this Act, or the application of any provision to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SEC. 25. EFFECTIVE DATE.

(a) General effective date.--This Act shall take effect 60 days after enactment, except as otherwise provided in this section.

(b) Immediate effective provisions.--Sections 1, 3, 12, 17, 20, 22, 24, and this section shall take effect upon enactment.

(c) Delayed operative provisions.--Sections 2, 4 through 19, 21, and 23 shall become operative on the first day of the first renewal cycle beginning after the City has published the materials required by section 23(a) and certified completion of the readiness steps required by section 23(b).

(d) Rulemaking deadline.--The City shall adopt the rules required for implementation not later than 45 days before the first operative date under subsection (c).

(e) No gap in continuity.--Until full operation begins, the City shall administer interim continuity protections for current owners of qualifying vehicles in a manner consistent with sections 1, 5, 6, 7, 8, 9, 10, and 11.

(f) Interim administration.--During any interval before full operation, the City shall continue to accept applications, issue provisional status determinations, and prepare the registry so that no eligible owner is deprived of continuity by reason of administrative lag.

Analytical Comparison

The generated bill avoids a simple plate-ban model and instead uses emissions-performance licensing, corridor budgets, spillover controls, fleet incentives, and monitoring. It addresses the substitution and second-car effects that weakened Hoy No Circula.

16. Case Analysis

U.S. 2004 repatriation tax holiday

Case type: historically weak or adverse practice.

Historical Legal Regime

The 2004 American Jobs Creation Act provided a temporary reduced tax rate for repatriated foreign earnings of multinational corporations. The regime contemplated domestic reinvestment plans, but used relatively soft use-of-funds restrictions, limited firm-level incrementality tests, and weak clawbacks against shareholder payouts. It functioned largely as a temporary tax discount with limited binding connection between the tax benefit and additional domestic investment.

Normative Request

Design a corporate tax law to encourage multinational firms to bring foreign earnings home and increase domestic investment, employment, research, and wages rather than shareholder payouts.

Empirical Evidence

Dharmapala, Foley, and Forbes found the 2004 repatriation tax holiday increased payouts to shareholders and did not increase domestic investment, employment, or R&D as intended.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: A broad temporary repatriation tax discount without binding use-of-funds restrictions or credible prevention of buybacks/dividends. Preferred architecture: Conditional incentives tied to incremental domestic investment or payroll, clawbacks for shareholder payouts, transparency, firm-level reporting, and evaluation of investment and employment effects.

Generated Bill

A BILL

To establish the Repatriation-to-Capacity Tax Credit Act, and for other purposes.

Be it enacted by the Legislature of the State of [________]:

SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.

(a) Short Title.--This Act may be cited as the "Repatriation-to-Capacity Tax Credit Act".

(b) Findings.--The Legislature finds that--

(1) repatriated foreign earnings may support domestic productive capacity, employment, research, and wages when such earnings are associated with measurable domestic outcomes;

(2) a tax preference conditioned only on repatriation may not reliably distinguish between repatriations that finance domestic capacity expansion and repatriations that are used primarily for shareholder distributions or other nonqualifying purposes;

(3) the public interest is served by a tax administration system that conditions reduced-rate treatment on objective, auditable, and incrementality-tested domestic outcomes;

(4) the public interest is further served by rules that are mechanically administered, budget-stable, and resistant to circumvention through reclassification, timing shifts, or related-party transactions; and

(5) the administration of this Act should preserve ordinary corporate discretion to repatriate foreign earnings and to make shareholder distributions, while conditioning preferential tax treatment on compliance with this Act.

(c) Purpose.--The purposes of this Act are--

(1) to establish a conditional reduced-rate tax regime for qualifying repatriated foreign earnings;

(2) to link preferential treatment to qualifying domestic capital expenditures, payroll expansion, research and development, and wage pass-through, each measured by objective statutory standards;

(3) to establish firm-specific baseline and normalization rules for determining incrementality;

(4) to establish a deterministic deemed-allocation mechanism for repatriated amounts;

(5) to provide proportionate shortfall treatment, prospective true-up, and limited remedies for honest filings;

(6) to provide tiered enforcement, collection assurance, and fraud sanctions;

(7) to establish reporting, audit, renewal, and budget safeguards; and

(8) to establish transition, relation-to-existing-law, severability, and effective-date rules.

(d) No Forced Repatriation; Shareholder Distributions Permitted.--Nothing in this Act shall be construed to require any taxpayer to repatriate foreign earnings, and nothing in this Act shall be construed to prohibit any taxpayer from making dividends, distributions, repurchases, or other shareholder distributions, subject to any otherwise applicable law.

(e) Administration.--The Department of Revenue shall administer this Act in a manner that is mechanical, auditable, and budget-stable. The Department shall maintain administrative guidance, forms, and published criteria required by this Act.

SECTION 2. DEFINITIONS.

(a) In General.--For purposes of this Act, the following definitions shall apply:

(1) Adjusted domestic revenue or volume.--The term "adjusted domestic revenue or volume" means the taxpayer's domestic gross receipts, domestic unit volume, or other objective business-scale measure, as applicable to the taxpayer's trade or business and as prescribed by the Department by rule, adjusted only as provided in this Act.

(2) Affiliate.--The term "affiliate" means any person, corporation, partnership, disregarded entity, branch, or other entity that is treated as related to the taxpayer under applicable common-control, consolidated filing, transfer-pricing, or constructive-ownership rules adopted or incorporated under existing law.

(3) Annual return.--The term "annual return" means the return or other filing required under the tax laws of this State for the taxable year for which reduced-rate treatment is elected.

(4) Attorney General.--The term "Attorney General" means the Attorney General of this State or the Attorney General's designee.

(5) Baseline window.--The term "baseline window" means the prior 4 consecutive quarters preceding the beginning of the qualifying period for the relevant taxpayer or filing group, as adjusted under section 6.

(6) Covered employee.--The term "covered employee" means an employee of the taxpayer or an affiliate whose wages are reported by the taxpayer for payroll tax, withholding, wage statement, or equivalent administrative purposes, excluding any individual whose compensation is treated as a distribution, dividend equivalent, or partner draw under applicable law.

(7) Credit base.--The term "credit base" means the amount of repatriated foreign earnings to which reduced-rate treatment is applied under this Act, after application of the eligibility rules and the deemed-allocation rules of sections 4 and 5.

(8) Credit period.--The term "credit period" means the taxable year, election period, or other statutorily defined period for which a taxpayer has made a valid election under section 3.

(9) Department.--The term "Department" means the Department of Revenue or any successor tax administrator having jurisdiction over the tax imposed by this State.

(10) Domestic.--The term "domestic" means within the United States or within this State, as the context requires, and with respect to an entity or expense, refers to activity allocated to domestic operations under the allocation and sourcing rules applicable under this State's tax laws and under the rules of this Act.

(11) Escrow or bond threshold.--The term "escrow or bond threshold" means the amount of disputed reduced-rate tax benefit, as determined by the Department by rule, above which escrow or bond security is required under section 15.

(12) Excess basis.--The term "excess basis" means the amount by which a qualifying metric exceeds the applicable baseline metric after all required adjustments under this Act.

(13) FTE-hours.--The term "FTE-hours" means full-time equivalent hours of labor input, calculated under a standardized method prescribed by the Department, which shall normalize part-time, temporary, seasonal, and full-time labor into a common measure.

(14) Foreign earnings.--The term "foreign earnings" means earnings of a foreign subsidiary, controlled foreign corporation, foreign branch, or equivalent foreign operating unit, to the extent such earnings are treated under applicable tax law as foreign-source or foreign-derived earnings eligible for repatriation treatment.

(15) Fraud.--The term "fraud" means intentional misrepresentation, concealment, falsification, or other knowing conduct undertaken to obtain reduced-rate treatment or to avoid tax due under this Act.

(16) Incremental productive-capacity project.--The term "incremental productive-capacity project" means a project-specific capital expenditure that increases domestic productive capacity beyond maintenance or replacement levels, as determined under section 9.

(17) Incremental take-home.--The term "incremental take-home" means the increase, if any, in an employee's take-home compensation measured under section 10 relative to the applicable baseline and adjusted for firm wage-setting history and local labor market shocks.

(18) Maintenance or replacement capital expenditure.--The term "maintenance or replacement capital expenditure" means a capital expenditure that merely preserves, restores, repairs, substitutes, refreshes, or replaces existing capacity, equipment, facilities, or assets without increasing productive capacity beyond baseline levels.

(19) Nonqualifying amount.--The term "nonqualifying amount" means any repatriated foreign earnings, domestic expenditure, payroll amount, research and development amount, wage amount, or other item claimed under this Act that fails to satisfy the applicable statutory criteria.

(20) Qualifying domestic outcome.--The term "qualifying domestic outcome" means a domestic capital expenditure, payroll expansion, research and development expenditure, or wage pass-through amount that satisfies the applicable tests under sections 6 through 11.

(21) Qualifying period.--The term "qualifying period" means the taxable year or other period designated by the Department during which the taxpayer measures qualifying domestic outcomes for purposes of this Act.

(22) Reconciliation period.--The term "reconciliation period" means the period established under this Act for final verification, true-up, adjustment, and assessment following the close of the qualifying period.

(23) Repatriated foreign earnings.--The term "repatriated foreign earnings" means foreign earnings actually received by a taxpayer subject to tax under this State from a foreign subsidiary, controlled foreign corporation, foreign branch, or equivalent foreign operating unit, in cash or in kind, during the repatriation window.

(24) Repatriation window.--The term "repatriation window" means the period during which foreign earnings are received by the taxpayer and are eligible to be included in the credit base under this Act.

(25) Related-party extraction payment.--The term "related-party extraction payment" means any payment, transfer, fee, royalty, interest, management fee, service charge, capital return, distribution, or similar value transfer to a related party that is economically equivalent to a shareholder distribution or that substitutes for a shareholder distribution, as determined under rules prescribed by the Department.

(26) Reduced-rate treatment.--The term "reduced-rate treatment" means the preferential tax treatment established by this Act for qualifying repatriated foreign earnings, including any reduced tax rate, credit, or equivalent tax adjustment authorized by this Act.

(27) Revenue or volume normalization.--The term "revenue or volume normalization" means the adjustment of baseline and current-period measures to account for changes in revenue, unit volume, output, or other objective business scale, using a method prescribed by the Department that is neutral, uniform, and not based on subjective business judgment.

(28) Shortfall.--The term "shortfall" means the amount by which qualifying domestic outcomes fail to meet the excess-basis requirement applicable to the credit base under this Act.

(29) Simple interest.--The term "simple interest" means interest computed without compounding at the rate otherwise applicable under the tax laws of this State for unpaid tax, or, if no such rate exists, at the rate prescribed by the Department by rule, subject to section 15.

(30) Taxpayer.--The term "taxpayer" means any domestic corporation, filing group, multinational corporate group, or other person subject to corporate income tax under this State that elects or claims reduced-rate treatment under this Act.

(31) Wage pass-through.--The term "wage pass-through" means the portion of repatriated foreign earnings associated with employee take-home increases determined under section 10.

(32) Working capital.--The term "working capital" means current assets less current liabilities, as determined under applicable accounting rules, except that working capital shall not be used to qualify nonincremental transfers, prepositioning, or circular funding arrangements.

(b) Consistent Accounting Treatment.--For any item measured under this Act, a taxpayer shall apply consistent accounting treatment to expensed and capitalized amounts when the same economic activity is measured. The Department shall prescribe rules requiring a taxpayer to report economically equivalent items on a comparable basis for purposes of this Act, including rules for expensing, capitalization, amortization, depreciation, and booking conventions.

(c) Construction.--This section shall be construed to require objective, administrable definitions sufficient to apply election, qualification, calculation, reporting, audit, and remedy provisions under this Act. If a term is capable of more than one reasonable construction, the construction that most preserves mechanical administrability and prevents circumvention shall apply.

SECTION 3. ELECTION OF REDUCED-RATE TREATMENT.

(a) Election Authorized.--A taxpayer may elect reduced-rate treatment for repatriated foreign earnings only for a taxable year or other statutorily defined election period.

(b) Timing of Election.--The taxpayer shall make the election on or before the filing deadline established by the Department for the applicable annual return, including any valid extension of time to file that return.

(c) Voluntary Nature of Election.--A taxpayer may repatriate foreign earnings without making the election, and the election shall not be mandatory. No taxpayer shall be required to alter its dividend policy, repurchase policy, capital structure, treasury management, or shareholder distribution decisions as a condition of repatriating foreign earnings.

(d) Form and Content.--The election shall be made on a form prescribed by the Department and shall include--

(1) the amount of repatriated foreign earnings included in the repatriation window;

(2) the credit base proposed for reduced-rate treatment;

(3) the taxpayer's baseline computations;

(4) the taxpayer's proposed qualifying domestic outcomes;

(5) the deemed-allocation schedule required under section 5;

(6) the taxpayer's preliminary reconciliation methodology; and

(7) any other information required by the Department that is reasonably necessary to determine eligibility under this Act.

(e) Election by Filing Group.--If a taxpayer is part of a filing group, the election shall be made by the taxpayer or by the group member designated under applicable filing rules, and the election shall apply to the filing group to the extent the repatriated foreign earnings are included in the group's return.

(f) Amendment or Withdrawal.--A taxpayer may amend or withdraw an election only within the correction window established by the Department and only to the extent consistent with accurate reporting, anti-abuse rules, and final assessment deadlines.

(g) Invalid or Late Election.--An invalid or late election shall be ineffective for the affected amount, and the affected repatriated foreign earnings shall be taxed under otherwise applicable law without reduced-rate treatment.

SECTION 4. ELIGIBILITY OF REPATRIATED FOREIGN EARNINGS.

(a) Actual Receipt Required.--Only qualifying foreign earnings actually repatriated and received shall enter the credit base.

(b) Exclusions.--The taxpayer shall exclude from the credit base any amount that--

(1) is not foreign earnings;

(2) is not actually repatriated and received within the repatriation window;

(3) is transferred through a sham loan, circular transfer, offsetting transfer, or similar arrangement lacking genuine receipt;

(4) is subject to immediate or substantially contemporaneous offset by a related-party extraction payment that defeats the economic substance of repatriation; or

(5) is otherwise statutorily ineligible under this Act or under rules adopted by the Department.

(c) Documentary Proof.--The taxpayer shall provide documentary proof of actual receipt, source characterization, transfer path, and domestic recipient account information for each amount claimed as repatriated foreign earnings.

(d) No Circular or Sham Arrangements.--The taxpayer may not include circular transfers, sham loans, or other amounts lacking genuine receipt in the credit base. The Department shall disallow any amount determined to be so characterized, whether on examination or on summary review under rules adopted by the Department.

(e) No Double Counting.--A taxpayer may not include the same repatriated amount more than once, whether in the same taxable year, in multiple taxable years, or across multiple affiliated filers.

(f) Related-Party Substitution.--An amount shall not qualify if it is used to fund or is offset by a related-party extraction payment that, under the facts and circumstances and the Department's rules, functionally substitutes for shareholder distributions or buybacks.

(g) Burden of Substantiation.--The taxpayer bears the burden of substantiating actual receipt and eligibility of repatriated foreign earnings under this section.

SECTION 5. CREDIT BASE AND DEEMED ALLOCATION.

(a) Deemed Allocation.--For the credit period, repatriation proceeds shall be deemed allocated first to qualifying domestic outcomes up to the credit limit.

(b) Residual Amounts.--Any residual repatriation amount after application of subsection (a) shall be treated as available for general corporate purposes, including dividends, buybacks, debt reduction, working capital, or other lawful corporate uses, without affecting eligibility for prior allocated portions.

(c) No Discretionary Tracing.--The taxpayer shall not use discretionary tracing to reassign deemed allocations after filing, except to correct a clerical error or to conform the filing to the actual books and records in a manner consistent with this Act and any rules adopted by the Department.

(d) Allocation Waterfall.--The Department shall prescribe a mandatory allocation waterfall for the treatment of repatriated foreign earnings. The waterfall shall, at a minimum, provide that--

(1) repatriated amounts are first matched to qualifying domestic outcomes within the applicable credit period;

(2) any unmatched portion is treated as residual and may be used for general corporate purposes;

(3) amounts excluded under section 4 do not enter the waterfall; and

(4) a taxpayer may not alter the sequence of deemed allocation by post hoc election, tracing, or characterization after the return is filed.

(e) Effect of Residual Uses.--The use of residual amounts for dividends or buybacks shall not by itself disqualify the portion of repatriated foreign earnings already deemed allocated to qualifying domestic outcomes under this Act.

(f) Anti-Abuse.--The Department shall disallow any arrangement that uses form, sequencing, affiliate transfers, or post-period bookkeeping to circumvent the deemed-allocation rules of this section.

SECTION 6. BASELINE WINDOW AND NORMALIZATION.

(a) Baseline Window.--The baseline window shall consist of the prior 4 quarters for the taxpayer or relevant filing group.

(b) Firm-Specific Baseline.--The baseline shall be determined on a taxpayer-specific basis and shall reflect the taxpayer's own historical domestic operations rather than industry averages, except to the extent the Department uses a peer-control set under a rule expressly authorized by this Act for a dispute, audit, or reconciliation purpose.

(c) Excess-Basis Requirement.--Qualifying domestic CapEx, payroll, and R&D shall exceed the baseline on an excess basis to qualify.

(d) Normalization.--The baseline and current-period figures shall be adjusted for revenue or volume normalization. The Department shall prescribe a uniform method of normalization that--

(1) adjusts for changes in revenue, output, volume, or other objective business scale;

(2) does not permit artificial inflation of the baseline;

(3) does not permit a taxpayer to shift among incompatible measurement bases without disclosure; and

(4) is applied consistently across periods and across similar taxpayers to the extent practicable.

(e) No Qualification by Mere Label.--A taxpayer may not qualify a metric merely by relabeling ordinary operating activity as incremental activity. The Department shall disregard labels that are not supported by the underlying economic substance and records.

(f) No Industry-Average Substitution.--The baseline shall not be replaced by an industry average, peer average, or generalized benchmark unless a specific provision of this Act or a rule adopted under this Act expressly authorizes such a benchmark.

(g) Restatement.--If the Department determines that the taxpayer applied normalization inconsistently or manipulated the baseline, the Department may require restatement and recomputation of the qualifying amounts, shortfall, and tax due.

SECTION 7. PAYROLL QUALIFICATION AND FTE-HOURS.

(a) FTE-Hours Normalization.--Payroll qualification shall be measured using FTE-hours normalization.

(b) Qualification Standard.--Payroll shall qualify only to the extent it exceeds the baseline after normalization and required adjustments under this Act.

(c) Exclusions.--Payroll qualification shall exclude restructuring-driven or merger-driven workforce reshuffles that do not reflect net domestic labor expansion. The Department shall prescribe rules identifying workforce transfers, reorganizations, merger integrations, and similar events that do not constitute qualifying payroll expansion.

(d) No Double Counting.--The taxpayer may not count the same labor input twice under different business units, entities, or affiliates.

(e) Reporting.--The taxpayer shall report, for each qualifying period--

(1) covered employees;

(2) FTE-hours;

(3) domestic payroll expense;

(4) wage and benefit components;

(5) any restructuring, merger, or transfer events affecting the payroll measure; and

(6) the calculation of any excess above the baseline.

(f) Temporary Staffing.--Temporary staffing changes shall not qualify by themselves unless the taxpayer demonstrates, under the Department's rules, a sustained domestic labor expansion measured by FTE-hours.

(g) Anti-Substitution.--A taxpayer may not qualify payroll by shifting work among entities or by reclassifying labor costs without a net increase in domestic labor input as measured under this section.

SECTION 8. RESEARCH AND DEVELOPMENT QUALIFICATION.

(a) Prior-Average Requirement.--R&D qualification shall require spending that exceeds the prior 3-year average on a net-of-prior-average basis.

(b) Consistent Accounting.--The same economic R&D activity shall be measured consistently whether expensed or capitalized. The taxpayer shall report the activity in a manner that permits comparison across periods without double counting or form-based distortion.

(c) Exclusions.--Re-labeled existing research budgets shall not qualify as incremental R&D. The taxpayer shall exclude routine maintenance, compliance-only activity, and already committed obligations from qualifying R&D unless the taxpayer proves that such activity constitutes incremental R&D under the Department's rules.

(d) Economic Substance.--The Department shall determine whether an amount is incremental R&D based on the economic substance of the activity and the supporting records, not solely on accounting labels.

(e) Documentation.--The taxpayer shall submit schedules showing--

(1) the prior 3-year average;

(2) the current qualifying period amount;

(3) any capitalized or amortized treatment;

(4) any excluded routine, compliance, or committed amounts; and

(5) the net amount claimed as incremental.

(f) Anti-Reclassification.--The Department shall disallow any attempt to convert ordinary operating expenses into qualifying R&D by reclassification, rebundling, or timing changes that do not reflect actual incremental research activity.

SECTION 9. CAPEX EXPANSION-VS-REPLACEMENT CLASSIFIER.

(a) Qualifying CapEx.--Only incremental productive-capacity projects shall qualify as capital expenditures for the reduced-rate benefit.

(b) Exclusion of Maintenance or Replacement.--Maintenance or replacement capital expenditures shall not qualify unless the taxpayer proves an actual expansion in productive capacity.

(c) Project-Level Evidence.--The taxpayer shall provide project-level evidence of capacity utilization targets, throughput step-ups, or incremental productive asset book value, and shall identify any pure maintenance components that are excluded from qualification.

(d) Project Inventory.--For each qualifying period, the taxpayer shall file a project inventory identifying--

(1) the function of each project;

(2) the expected and realized capacity effect;

(3) the useful life or asset classification;

(4) the portion, if any, attributable to maintenance or replacement;

(5) the portion claimed as incremental productive capacity; and

(6) supporting records sufficient to verify the claim.

(e) No Pure Maintenance.--An asset purchase, upgrade, installation, refresh, replacement, or repair shall not qualify merely because it is new or expensive if it only replaces existing capacity or preserves existing operations.

(f) Capacity Expansion Test.--A project shall qualify only to the extent the taxpayer demonstrates a measurable increase in productive capacity, including throughput, utilization, output, or incremental productive asset book value, as prescribed by the Department.

(g) Anti-Abuse.--The Department shall disregard projects structured to repackage maintenance spending as expansion spending and shall require project-level substantiation for any such claim.

SECTION 10. WAGE PASS-THROUGH AND INCREMENTAL TAKE-HOME.

(a) Wage Qualification.--Wage qualification shall require employee take-home increases consistent with the baseline and the taxpayer's wage-setting history.

(b) Standardized Measure.--The wage measure shall be standardized as incremental take-home and shall include baseline-adjusted employee compensation changes.

(c) Adjustment for Labor Market Shocks.--The taxpayer shall adjust the wage measure for local labor market shocks in the manner prescribed by the Department. The Department shall adopt a bounded, objective method that accounts for material changes in local labor supply, inflation, or wage conditions.

(d) Compensation Components.--Incremental take-home shall include, on a standardized basis, base pay, employer-funded benefits, and variable compensation measured over the averaging period prescribed by the Department.

(e) Averaging Period.--The Department shall prescribe the averaging period for variable compensation, provided that the period shall not exceed 2 consecutive quarters unless the Department determines that a longer period is necessary to avoid distortion in a particular industry and publishes that determination.

(f) Anti-Reclassification.--A taxpayer may not satisfy the wage requirement by reclassifying compensation components, by changing hours schedules solely to reduce equivalent wage cost, or by substituting guaranteed compensation with discretionary compensation unless the averaged net employer cost remains above the threshold established by this Act.

(g) Covered Employees.--The wage measure shall be calculated using covered employees, and shall exclude amounts not treated as wages under the Department's rules.

(h) Nonqualifying Failure.--If the wage requirement is not met, the affected portion shall be nonqualifying for reduced-rate treatment and shall be subject to the shortfall rules of sections 11 through 13.

SECTION 11. QUALIFYING DOMESTIC OUTCOME AGGREGATION.

(a) Independent Statutory Tests.--The taxpayer shall aggregate qualifying domestic outcomes only to the extent each component satisfies its independent statutory test under this Act.

(b) No Cross-Category Substitution.--The taxpayer may not use excess qualification in one category to create qualification in a different category unless this Act expressly authorizes substitution by clear statutory language.

(c) Component-by-Component Calculation.--The taxpayer shall submit a component-by-component worksheet showing--

(1) qualifying domestic CapEx;

(2) qualifying payroll expansion;

(3) qualifying R&D;

(4) qualifying wage pass-through; and

(5) each corresponding nonqualifying amount.

(d) Shortfall in Any Component.--A shortfall in any one component shall reduce the reduced-rate benefit attributable to that component.

(e) Mechanical Computation.--The Department shall compute the qualifying ratio using the component rules stated in this Act. The Department shall not rely on subjective programmatic judgment in place of the statutory formulas or objective records.

(f) Unsupported Aggregation.--If the taxpayer claims aggregation without component-level support, the Department shall recompute the claim based on supported amounts only and shall deny any unsupported portion.

SECTION 12. SHORTFALL COMPUTATION AND PROPORTIONAL BENEFIT REDUCTION.

(a) Proportional Reduction.--The reduced-rate benefit shall be proportionately reduced for any qualifying shortfall relative to the credit base.

(b) Unearned Portion Only.--The taxpayer shall lose the reduced-rate benefit only for the unearned portion attributable to the shortfall.

(c) Shareholder Distributions Permitted.--Dividends, buybacks, and other shareholder distributions shall remain permitted and shall not by themselves trigger a payout prohibition.

(d) No Implied Prohibition.--Nothing in this Act shall be construed to prohibit a lawful distribution, buyback, redemption, or other shareholder transaction solely because the taxpayer claims or receives reduced-rate treatment.

(e) Tax Computation.--The Department shall compute any shortfall using the formula prescribed by this Act and any rules adopted under this Act, and the taxpayer shall pay any additional tax resulting from the reduced-rate benefit reduction.

(f) Period-Specific Treatment.--The shortfall reduction shall apply to the applicable credit period and shall not operate as a general penalty on unrelated taxable years except as expressly provided in this Act.

SECTION 13. PROSPECTIVE TRUE-UP AND NON-RETROACTIVITY.

(a) Prospective True-Up.--If outcomes fall short, the taxpayer shall undergo a prospective true-up for the unearned portion of the reduced-rate benefit.

(b) No Broad Retroactive Clawback for Honest Filings.--Absent intentional misreporting, the Act shall not authorize a broad retroactive clawback beyond the unearned portion.

(c) Future Installments.--The Department may adjust future installments, estimated payments, withholding-equivalent payments, or future eligibility where the statute so provides.

(d) Honest Filing Protection.--If the taxpayer made a good-faith filing and the Department later determines a shortfall without fraud, the Department shall limit the remedy to the statutory unearned portion, interest if applicable, and any prospective adjustment authorized by this Act.

(e) Fraud Exception.--If fraud or intentional misstatement is established, the limitations of this section shall not apply to the extent provided in sections 15 and 16.

(f) Reconciliation Schedule.--The taxpayer shall use the reconciliation schedule prescribed by the Department to implement the true-up.

SECTION 14. TIERED ENFORCEMENT AND RISK CLASSIFICATION.

(a) Risk Classification.--The Department shall classify claims as low-risk or higher-risk according to published criteria.

(b) Stay on Enforcement.--A stay on enforcement shall apply only to low-risk claims.

(c) Higher-Risk Claims.--Higher-risk claims or claims showing evidence of misstatement shall not receive the stay.

(d) Published Criteria.--The Department shall publish objective criteria for low-risk and higher-risk classification, including factors based on completeness of records, consistency of reported measures, prior compliance, anomalous ratios, forecast reversals, and other objective indicators.

(e) Supplemental Review.--The Department may require supplemental records, accelerated review, or targeted examination for higher-risk claims.

(f) Notice and Response.--Before final adverse classification, the Department shall provide notice and an opportunity to respond, except where emergency collection or fraud rules apply.

(g) Administrative Appeal.--A taxpayer may seek administrative review of a risk classification under the procedures established by the Department. The filing of an appeal shall not by itself stay collection unless the claim is low-risk and otherwise eligible for a stay under this section.

SECTION 15. ESCROW, BOND, AND COLLECTION ASSURANCE.

(a) Security Required.--Disputed credits above the escrow or bond threshold shall require escrow or bond security.

(b) Cap on Security.--The required security shall be capped at the expected underpayment and shall not exceed that amount.

(c) Simple Interest.--Simple interest shall accrue on underpayments.

(d) No Penalty Interest Absent Fraud.--Penalty interest shall not apply absent intentional misreporting or fraud.

(e) Form of Security.--The Department shall specify acceptable forms of escrow, letter of credit, surety bond, deposit, or other security instrument, provided that the form is reasonably expected to secure collection and is not more burdensome than necessary to secure the expected underpayment.

(f) Release of Security.--The Department shall release security when the disputed amount is resolved, paid, withdrawn, or otherwise no longer subject to collection risk.

(g) Failure To Post Security.--Failure to post required security shall suspend the disputed portion of the reduced-rate benefit until the security requirement is satisfied.

SECTION 16. FRAUD, MISSTATEMENT, AND SANCTIONS.

(a) Prospective Loss of Future Eligibility.--Fraud or intentional misstatement shall trigger prospective loss of future eligibility.

(b) Standard Fraud Sanctions.--Fraud or intentional misstatement shall also trigger any standard fraud sanctions available under the tax code of this State.

(c) No Protection for Fraudulent Claims.--The taxpayer shall not receive non-retroactivity protection for fraudulent claims.

(d) Referral Authority.--The Department may refer suspected intentional violations to the Attorney General or any other enforcement authority authorized by law.

(e) Administrative Process.--Before imposing fraud-based administrative sanctions, the Department shall provide notice and an opportunity to respond, unless emergency collection rules apply or unless notice would materially compromise collection or enforcement.

(f) Burden of Proof.--The Department shall establish fraud or intentional misstatement under the applicable legal standard, and good-faith computational error shall not constitute fraud solely because the return was later adjusted.

(g) Future Disqualification.--If a taxpayer is subject to a fraud determination under this section, the Department may require enhanced reporting, security, or pre-filing review for subsequent election periods as authorized by rule.

SECTION 17. AUTO-RENEWAL, PRE-REGISTERED METRICS, AND OUTLAY CAP.

(a) Pre-Registered Outcome Metrics.--Renewal of the program or renewal eligibility shall require pre-registered outcome metrics with uncertainty bounds and minimum evidence thresholds.

(b) Annual Outlay Cap.--The program shall be subject to a maximum annual credit outlay cap established by appropriation or by statute, as applicable.

(c) No Exceedance Absent Verified Performance.--The outlay cap shall not be exceeded unless verified performance satisfies the statutory conditions for expansion.

(d) Early-Warning Mechanism.--The Department or the independent fiscal office shall establish an early-warning mechanism allowing partial disallowance if verified outcomes diverge materially from projections.

(e) Provisional Treatment Pending Verification.--The Department may grant provisional treatment within the statutory cap pending verification, subject to reconciliation and security requirements.

(f) Material Divergence Standard.--The Department shall prescribe an objective standard for determining when outcomes diverge materially from projections, and the standard shall include uncertainty bounds, minimum evidence thresholds, and a comparison to pre-registered metrics.

(g) Renewal Review.--No renewal or cap expansion shall occur until the required pre-registered metrics and verification review are completed.

SECTION 18. REPORTING, CERTIFICATION, AND RECORDKEEPING.

(a) Reporting.--The taxpayer shall report the repatriated amount, qualifying outcomes, baseline computations, allocation waterfall, and reconciliation results.

(b) Record Retention.--The taxpayer shall retain records sufficient to verify each statutory element for the record-retention period established by law, and if no period is otherwise established, for not less than 7 years after the filing date of the return to which the records relate.

(c) Certification.--The taxpayer shall certify that the filing is complete and that the reported data reflect the taxpayer's books and supporting schedules.

(d) Electronic Filing.--The Department may require standardized electronic filing and machine-readable schedules.

(e) Interim Updates.--The taxpayer shall provide interim updates if required by the Department during the qualifying period or reconciliation period.

(f) Supplemental Documentation.--The taxpayer shall provide supplemental documents on request within the response period established by the Department.

(g) Limitation on Reporting Burden.--The Department shall limit reporting duties to data reasonably needed for verification and administration and shall not require open-ended narrative justification where objective schedules and records are sufficient.

(h) Failure To Report or Retain.--Failure to report or retain records shall permit denial of the claimed benefit to the extent substantiation is unavailable.

SECTION 19. AUDIT, EXAMINATION, AND ADMINISTRATIVE REVIEW.

(a) Audit Authority.--The Department may audit any election, claim, or reconciliation under this Act.

(b) Cooperation.--The taxpayer shall cooperate with audit requests and produce records relevant to the claim.

(c) Examination Scope.--The Department may examine the allocation waterfall, baseline computations, CapEx classifier, payroll normalization, R&D calculations, wage pass-through calculations, security arrangements, and any related-party transaction relevant to eligibility under this Act.

(d) Notice and Response.--Except where emergency collection or fraud rules apply, the Department shall provide notice of an adjustment and an opportunity to respond before final assessment.

(e) Administrative Review.--The taxpayer may seek administrative review of an adjustment notice under the appeal process established by law. The Department shall issue a final administrative determination after considering the taxpayer's response and any supporting evidence.

(f) Objective Audit Selection.--Audit selection shall be governed by objective criteria to the extent feasible, including the risk classification rules adopted under section 14.

(g) Privilege.--The examination process shall not require disclosure of privileged communications beyond what is permitted by law.

(h) Outcomes of Audit.--Audit findings may result in assessment, denial, partial disallowance, reconciliation adjustment, security release or enforcement, or future ineligibility according to this Act.

SECTION 20. RELATION TO EXISTING LAW.

(a) Supplemental Operation.--This Act shall apply in addition to any otherwise applicable corporate income tax provisions except to the extent this Act specifically reduces or adjusts tax liability.

(b) Conflict Rule.--If another law conflicts with this Act regarding the same repatriated amount, this Act shall control to the extent of the conflict.

(c) No Implied Repeal.--This Act shall not be construed to repeal unrelated tax provisions by implication.

(d) Harmonization.--The Department shall harmonize reporting under this Act with existing corporate return filings to the extent practicable and consistent with this Act.

(e) Conforming Amendments.--The Department shall identify any conforming amendments needed for administration and shall submit them to the appropriate legislative authority if authorized to do so.

(f) State-Law Noninterference.--This Act shall not be construed to preempt state corporate governance, state labor law, or other state law except to the minimum extent necessary for tax administration under this Act.

(g) Narrow Construction of Cross-References.--Any cross-reference to existing law in this Act shall be construed narrowly and only to the extent necessary to administer this Act.

SECTION 21. REGULATIONS, GUIDANCE, AND PUBLICATION OF CRITERIA.

(a) Rulemaking Authority.--The Department may issue regulations or guidance necessary to implement this Act.

(b) Published Criteria.--The Department shall publish objective low-risk criteria, escalation criteria, calculation templates, allocation schedules, normalization methods, and any other materials required for administration of this Act.

(c) Limitation on Discretion.--The Department may not adopt rules that replace the statute's mechanical tests with case-by-case policy judgments.

(d) Examples.--The Department shall publish examples sufficient to show how the baseline, allocation, shortfall, and reconciliation rules operate.

(e) Administrative Procedure.--Before adopting major rules under this Act, the Department shall provide notice and an opportunity for comment to the extent required by applicable administrative law.

(f) Updating Guidance.--The Department shall periodically update templates and guidance materials to reflect statutory amendments, published criteria, and audit learnings, provided that any update shall remain consistent with this Act.

(g) Conflict with Guidance.--If guidance conflicts with this Act, this Act shall control.

SECTION 22. EFFECTIVE DATE; TRANSITION; SEVERABILITY.

(a) Effective Date.--This Act shall take effect on [________], or on a date certain specified in the enacted bill.

(b) Prospective Application.--This Act shall apply prospectively to repatriations received on or after the effective date unless the bill expressly provides otherwise.

(c) Transition Rules.--The Department shall implement transition rules for pending election periods and partially completed qualifying periods.

(d) Pre-Effective-Date Repatriations.--Taxpayers with pre-effective-date repatriations shall exclude those amounts unless a transition clause expressly permits inclusion.

(e) Transition Guidance.--The Department shall publish transition guidance before the first eligible filing deadline under this Act.

(f) Preservation of Reliance.--Transition rules shall preserve reliance interests for honest pre-effective-date filings to the extent compatible with this Act.

(g) Severability.--If any provision of this Act is held invalid, the remaining provisions shall continue in effect to the fullest extent permitted by law. If any provision is held invalid as applied, the provision shall remain valid in all other applications not affected by the invalidity.

(h) Continued Administration.--The Department shall administer any surviving provisions after a partial invalidation without delay.

SECTION 23. IMPLEMENTATION DEADLINES.

(a) Initial Guidance.--Not later than 90 days after the effective date of this Act, the Department shall publish election forms, allocation schedules, baseline templates, and reconciliation forms.

(b) Low-Risk Criteria and Security Forms.--Before the first eligible filing deadline, the Department shall publish low-risk criteria, dispute thresholds, and acceptable security forms.

(c) Normalization Guidance.--Within the first full reporting cycle after the effective date, the Department shall issue guidance on normalization, FTE-hours, and R&D prior-average treatment.

(d) Risk Review.--The Department shall establish procedures for risk classification review and shall make such procedures available to taxpayers at the time of publication of the initial guidance.

SECTION 24. ANNUAL REPORTING TO THE LEGISLATURE.

(a) Report Required.--Not later than 180 days after the close of each fiscal year in which this Act is in effect, the Department shall submit to the Legislature and the independent fiscal office a report on the administration of this Act.

(b) Contents.--The report shall include--

(1) the number of elections filed;

(2) the amount of repatriated foreign earnings claimed;

(3) the amount of reduced-rate treatment allowed;

(4) the number and amount of shortfalls, true-ups, denials, and adjustments;

(5) the number of audits, risk classifications, and appeals;

(6) the aggregate amount of escrow or bond posted and released;

(7) the amount of simple interest assessed and collected;

(8) the amount of fraud determinations made;

(9) the extent to which qualifying domestic outcomes were met by category;

(10) the fiscal effect relative to the annual outlay cap; and

(11) any recommended conforming amendments.

(c) Public Availability.--The Department shall make the report publicly available, subject to confidentiality limitations required by law.

SECTION 25. APPROPRIATION AND ADMINISTRATIVE FUNDING.

(a) Administrative Funding.--There is appropriated from the general fund, or other legally available fund if the general fund is not the source for tax administration, the sum necessary for the Department to implement, administer, audit, and enforce this Act, subject to legislative appropriation limits and available resources.

(b) Use of Funds.--Funds appropriated under subsection (a) shall be used solely for--

(1) rulemaking and guidance;

(2) form development and electronic filing systems;

(3) audit and examination activities;

(4) appeals and collections administration;

(5) public reporting and publication of criteria; and

(6) coordination with the independent fiscal office and the Attorney General as authorized by law.

SECTION 26. CONSTRUCTION AND INTERPRETATION.

(a) Mechanical Administration.--This Act shall be construed to require mechanical administration of eligibility, shortfall, true-up, and enforcement.

(b) No Property Right.--Nothing in this Act shall be construed to create a vested right, property right, or entitlement to reduced-rate treatment for any future period.

(c) No Alteration of Corporate Law.--Nothing in this Act shall alter the legal permissibility of dividends, buybacks, distributions, debt financing, capital structure decisions, or treasury management except as expressly provided in the tax laws of this State.

(d) Anti-Circumvention.--The Department shall construe and apply this Act to prevent circumvention through timing shifts, reclassification, affiliate transfers, circular funding, or related-party arrangements that defeat the substance of the Act.

(e) Rule of Consistency.--All definitions, calculations, and enforcement mechanisms under this Act shall be interpreted consistently with the purposes stated in section 1 and the specific operative provisions of this Act.

SECTION 27. REPEALER AND CONFORMING EFFECT.

(a) Limited Repealer.--Any provision of law inconsistent with the specific reduced-rate treatment, deemed allocation, shortfall reduction, true-up, escrow, or security mechanisms established by this Act is repealed only to the extent of the inconsistency and only with respect to repatriated foreign earnings subject to this Act.

(b) No Broader Repeal.--No other provision of law is repealed or amended except as expressly stated in this Act.

SECTION 28. ADMINISTRATIVE REVIEW OF DISPUTE THRESHOLDS.

(a) Threshold Review.--The Department shall review the escrow or bond threshold, the low-risk criteria, and the material divergence standard not less than once every 2 years.

(b) Adjustment Authority.--The Department may adjust the threshold and criteria by rule, provided that any adjustment shall--

(1) be based on objective administrative data;

(2) preserve proportionality between expected underpayment and security required;

(3) preserve the mechanical nature of the enforcement system; and

(4) be published in advance of the first taxable period to which the adjustment applies.

(c) No Retroactive Increase.--An adjustment under this section shall not apply retroactively to a period that closed before publication of the adjustment, except to correct fraud or intentional misstatement.

SECTION 29. SUNSET AND RENEWAL REVIEW.

(a) Sunset.--Unless reauthorized by subsequent Act, the reduced-rate treatment established by this Act shall sunset on [________].

(b) Renewal Condition.--Any reauthorization or renewal shall require a legislative finding, based on the report described in section 24 and any independent evaluation required by law, that the Act has produced measurable domestic incremental outcomes relative to the control conditions or baseline methodologies prescribed by law.

(c) Continuity of Pending Matters.--The sunset in subsection (a) shall not terminate any audit, assessment, true-up, collection action, refund claim, appeal, or other proceeding commenced before the sunset date.

(d) Administrative Continuity.--The Department shall continue to administer pending matters after sunset until all such matters are finally resolved.

SECTION 30. EMERGENCY IMPLEMENTATION.

(a) Temporary Authority.--If necessary to avoid disruption in tax administration, the Department may issue temporary administrative guidance before final rules are adopted, provided that such guidance remains consistent with this Act and is superseded by final rules.

(b) Expedited Procedures.--The Department may establish expedited filing and reconciliation procedures for the first tax year in which this Act applies.

(c) Emergency Correction.--If the Department determines that a filing template, calculation method, or security form materially impairs administration, the Department shall issue a correction or replacement as promptly as practicable and shall publish the correction to affected taxpayers.

SECTION 31. NO PRIVATE RIGHT OF ACTION.

(a) No Private Right.--Nothing in this Act shall be construed to create a private right of action against the State, the Department, the Attorney General, or any officer or employee thereof for failure to grant, deny, audit, or enforce reduced-rate treatment under this Act.

(b) Administrative Remedies Exclusive.--Except as otherwise provided by law, the remedies provided in this Act and in the tax laws of this State shall be exclusive with respect to determinations under this Act.

SECTION 32. SEPARATE ACCOUNTING AND CONFIDENTIALITY.

(a) Separate Accounting.--The Department may require separate accounting schedules for repatriated foreign earnings, qualifying domestic outcomes, and reconciliation amounts.

(b) Confidentiality.--Information reported under this Act shall be subject to the confidentiality provisions applicable to tax return information under existing law.

(c) Public Aggregate Data.--The Department may publish aggregate, anonymized statistical data and program metrics that do not disclose taxpayer-specific return information.

SECTION 33. NO WAIVER OF OTHER LIABILITIES.

(a) Other Taxes and Liabilities.--Nothing in this Act shall be construed to relieve a taxpayer of any other tax, fee, penalty, assessment, or legal obligation otherwise due under law.

(b) Separate Liability.--If a taxpayer owes liability under other law arising from the same facts, such liability shall remain enforceable to the extent not inconsistent with this Act.

SECTION 34. AUTHORITY TO COORDINATE WITH FISCAL OFFICE.

(a) Coordination.--The Department shall coordinate with the independent fiscal office for revenue scoring, cap compliance, and annual reporting under this Act.

(b) Forecasting.--The independent fiscal office shall, to the extent authorized by law, evaluate projected foregone revenue, realized credit usage, and the distribution of checkpoint outcomes for purposes of the annual outlay cap and renewal review.

SECTION 35. EFFECT ON PREEXISTING ELECTIONS AND CREDITS.

(a) Prior Credits.--Any credit, deduction, holiday, or preferential treatment claimed for repatriated foreign earnings under prior law shall remain subject to the terms of that prior law and shall not be duplicatively claimed under this Act.

(b) No Duplication.--A taxpayer may not claim reduced-rate treatment under this Act and an overlapping benefit under any other provision of law for the same amount of repatriated foreign earnings, except to the extent expressly authorized by law.

SECTION 36. ADMINISTRATIVE INTERPRETATION OF RELATED-PARTY TRANSFERS.

(a) Guidance Required.--The Department shall issue rules identifying related-party extraction payments, circular transfers, artificial intercompany debt, asset parking, and other nonqualifying arrangements.

(b) Economic Substance.--The rules under subsection (a) shall be based on economic substance and objective record evidence.

(c) Safe Harbor Limitation.--The Department may establish safe harbors only if the safe harbors are narrow, objective, and do not permit circumvention of the deemed-allocation or shortfall rules.

SECTION 37. GENERAL ENFORCEMENT.

(a) Collection.--Any tax, interest, or assessment due under this Act shall be collectible in the manner provided by law for corporate income tax liabilities.

(b) Remedies Cumulative.--Except as limited by this Act, the remedies available under existing tax law shall be cumulative and not exclusive.

(c) Assistance.--The Department may request assistance from other state agencies as authorized by law for the purpose of administration, collection, audit, or fraud investigation.

SECTION 38. SAVINGS CLAUSE.

(a) Rights and Duties Preserved.--Except as expressly modified by this Act, all rights, duties, liabilities, defenses, limitations, and procedural protections under existing law shall remain in effect.

(b) Interim Matters.--Any matter pending on the effective date of this Act shall be governed by the law in effect at the time the relevant tax year or repatriation period closed, unless a transition provision of this Act expressly provides otherwise.

SECTION 39. RULE OF CONFORMING COMPUTATION.

(a) Priority of Statutory Formula.--Where a computation under this Act conflicts with an accounting convention, the statutory formula shall control.

(b) Supporting Records.--A taxpayer's supporting records shall be interpreted in a manner consistent with the statutory formula and the Department's published rules.

(c) Corrections.--The Department may correct mathematical, clerical, and computational errors without reopening unrelated items not affected by the error.

SECTION 40. REFERENCE TO OTHER LAWS.

(a) Incorporation by Reference.--Any incorporation by reference to another provision of law in this Act shall be limited to the version of that provision in effect on the effective date of this Act, unless this Act expressly provides otherwise.

(b) Amendment of Referenced Law.--If the referenced law is amended, the Department shall apply the amended version only if the amendment is expressly made applicable to this Act by subsequent legislation or by a rule validly adopted under authority expressly granted by this Act.

SECTION 41. PUBLICATION OF FORMS AND INSTRUCTIONS.

(a) Forms.--The Department shall publish all forms required by this Act.

(b) Instructions.--The Department shall publish instructions that are sufficient to permit taxpayers to calculate elections, deeming, baselines, normalization, shortfalls, true-up, security, and reconciliation.

(c) Consistency.--Forms and instructions shall be consistent with the statute and any validly adopted rules.

SECTION 42. NONDISCRIMINATION AMONG TAXPAYERS.

(a) Equal Application.--The Department shall apply this Act uniformly among similarly situated taxpayers.

(b) Objective Criteria.--Eligibility, risk classification, and enforcement shall be based on objective criteria and records, not on viewpoint, political affiliation, or any factor unrelated to tax administration.

SECTION 43. ADMINISTRATIVE COST RECOVERY.

(a) Filing Fee.--If authorized by general law, the Department may establish a reasonable filing fee or administrative surcharge for large-volume filings under this Act, provided that the fee or surcharge is limited to cost recovery and is not used to reduce the statutory cap or alter the credit formula.

(b) No Excess Charge.--Any fee or surcharge authorized under this section shall be proportional to administration costs and shall be published in advance.

SECTION 44. TECHNICAL CORRECTIONS.

(a) Technical Corrections Authority.--The Department may recommend technical corrections to the Legislature to conform terminology, cross-references, and computational provisions of this Act.

(b) No Substantive Expansion.--Technical corrections shall not be used to expand the substantive scope of taxation, eligibility, or enforcement beyond the express terms of this Act.

SECTION 45. DELEGATION OF MINISTERIAL FUNCTIONS.

(a) Ministerial Delegation.--The Department may delegate ministerial tasks necessary to administer this Act to officers or employees of the Department.

(b) Final Authority.--Nothing in this section shall be construed to delegate final statutory authority beyond that permitted by law.

SECTION 46. CONSTRUCTION AGAINST EVASION.

(a) Anti-Evasion Rule.--The Department shall disregard any transaction, series of transactions, or accounting treatment undertaken primarily to avoid the operation of sections 4 through 16 of this Act.

(b) Burden on Taxpayer.--If the Department identifies facts suggesting evasion under subsection (a), the taxpayer shall substantiate that the transaction had a bona fide non-tax purpose and did not defeat the mechanical operation of this Act.

SECTION 47. EFFECT OF AMENDMENTS OR FEDERAL CHANGES.

(a) Federal Changes.--If changes in federal law affect the accounting, sourcing, or characterization of repatriated foreign earnings, the Department shall construe this Act to remain operable to the fullest extent permitted by state law.

(b) Conforming Rule Authority.--The Department may adopt conforming rules necessary to preserve the mechanical application of this Act in light of changes in external law.

SECTION 48. AUTHORIZATION OF DATA MATCHING.

(a) Data Matching.--The Department may match returns and filings under this Act with payroll, withholding, corporate, and affiliate records available to the Department or another agency as authorized by law for the purpose of verification.

(b) Limitation.--Data matching shall be limited to the minimum information reasonably necessary for administration, audit, and enforcement.

SECTION 49. EFFECTIVE ADMINISTRATION OF FIRST YEAR.

(a) First-Year Grace Period.--For the first taxable year beginning after the effective date, the Department may implement a phased administrative schedule for forms, reporting, and verification, provided that the substantive requirements of this Act apply in full.

(b) First-Year Guidance.--The Department shall issue first-year guidance on an expedited basis and shall identify any temporary administrative simplification necessary to permit accurate initial filings.

SECTION 50. ENACTMENT CLAUSE.

This Act shall take effect and be in force according to its terms from and after its passage and approval, subject to the effective date specified in section 22.

Analytical Comparison

The generated bill conditions reduced-rate benefits on qualifying domestic outcomes, reporting, baseline rules, and enforcement. It moves away from an unconditional tax holiday, though its anti-payout structure is less stringent than a full clawback model.

17. Case Analysis

U.S. D.A.R.E. drug education program

Case type: historically weak or adverse practice.

Historical Legal Regime

The original D.A.R.E. model was a school-based drug-prevention program in which uniformed police officers delivered lecture-style lessons on resisting drugs and legal consequences. The legal and funding regime scaled a recognizable program brand with a weak link to evidence-based curricula, teacher fidelity, long-term behavioral outcomes, and funding renewal based on demonstrated effect.

Normative Request

Design a youth drug-prevention law for schools that reduces initiation of drug use and improves long-term protective behaviors among adolescents.

Empirical Evidence

Long-term evaluations and meta-analyses found the original D.A.R.E. program had little or no effect on later drug use, despite widespread adoption.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Police-led lecture-style prevention programs funded at scale without evidence of long-term behavioral effect. Preferred architecture: Evidence-based prevention curricula, age-appropriate social skills training, teacher fidelity standards, randomized or longitudinal evaluation, and funding tied to measured behavioral outcomes.

Generated Bill

A BILL

To establish a school continuity, standardized triage, and harm-reduction bridge program for public elementary and secondary schools; to require universal prevention instruction; to require standardized disclosure and flagging procedures, auditable stage assignment, time-bounded continuity of support, non-exclusionary school responses, guaranteed linkage to community care, calibrated family engagement, confidentiality firewalls, evaluation, audit, and correction; to provide for rulemaking, enforcement, appropriations, transition, relation to existing law, and severability; and for other purposes.

Be it enacted by the Senate and House of Representatives of the State of __________ in General Assembly convened,

SECTION 1. SHORT TITLE; PURPOSE; SCOPE.

(a) SHORT TITLE.—This Act may be cited as the “School Continuity, Standardized Triage, and Harm-Reduction Bridge Law”.

(b) PURPOSE.—The purposes of this Act are to—

(1) reduce initiation of drug use among adolescents;

(2) strengthen long-term protective behaviors among adolescents;

(3) establish a universal school prevention baseline for all students enrolled in covered schools;

(4) establish a standardized, auditable, and non-retaliatory pathway for disclosure, flagging, stage assignment, support offer, continuity of care, family engagement, and community linkage;

(5) preserve student access to education through non-exclusionary responses to covered drug-related conduct;

(6) require timely contact, verified referral, and warm handoff procedures that prevent delay and dead-end referral;

(7) protect student confidentiality through segregated records and use restrictions; and

(8) require reporting, audit, and corrective action based on measurable implementation and outcome data.

(c) SCOPE.—

(1) IN GENERAL.—This Act shall apply to all covered districts and covered schools.

(2) COVERED ENTITIES.—For purposes of this Act, the term “covered district” means a public school district, local education agency, charter school operator to the extent subject to state education law, or other public educational entity that operates one or more covered schools.

(3) APPLICABILITY TO SCHOOL-OPERATED PROGRAMS.—This Act shall apply to school-operated programs, services, and records maintained by a covered district or covered school under this Act.

(d) CONSTRUCTION.—This Act shall be construed to reduce initiation of drug use and strengthen long-term protective behaviors among adolescents.

(e) CARE-FIRST PATHWAY.—Covered entities shall implement a care-first pathway that prioritizes continuity, confidentiality, and timely support.

SEC. 2. RELATION TO EXISTING LAW.

(a) CONTROL OF CONFLICTING LOCAL POLICY.—This Act shall control over conflicting district policy to the extent permitted by law.

(b) FEDERAL LAW.—Nothing in this Act shall be interpreted to supersede federal privacy, disability, child welfare, health, or other applicable federal law.

(c) MORE PROTECTIVE POLICIES.—Districts may adopt more protective policies if those policies do not reduce access, confidentiality, or continuity required by this Act.

(d) NO IMPLIED AUTHORIZATION OF PROHIBITED ACTIONS.—Nothing in this Act shall be construed to authorize any district, school, or employee to take any action prohibited by federal law or by any other provision of state law applicable to student privacy, health information, disability accommodation, child safety, or due process.

(e) CONFORMING INTERPRETATION.—If any provision of this Act may be construed in more than one manner, the construction that affords the greater protection for student access to support, continuity of care, confidentiality, and educational access shall govern, to the extent consistent with law.

SEC. 3. DEFINITIONS AND THRESHOLD ARCHITECTURE.

(a) IN GENERAL.—As used in this Act:

(1) “Anonymous harm-risk questionnaire” means a standardized questionnaire made available by a covered district for student self-report of concerns related to drug use, exposure, peer pressure, stress, or related safety risks, which may be completed without identifying the student before a qualifying disclosure occurs.

(2) “At-risk stage” means the stage assigned to a student under this Act when the student’s disclosure or flag scores meet the pre-set threshold established under subsection (c).

(3) “Audit” means an independent or district compliance review of records, documentation quality, threshold use, timeliness, confidentiality compliance, and outcome reporting under this Act.

(4) “Community provider” means a youth-friendly community-based, school-connected, medical, behavioral health, counseling, harm-reduction, or other support provider that may lawfully receive a referral, warm handoff, or coordination request under this Act.

(5) “Continuity of care” means the ongoing coordination of support, referral completion, follow-up, record protection, and aggregated reporting authorized by this Act, and no other use.

(6) “Covered school” means a public elementary or secondary school operated by a covered district.

(7) “Covered student” means a student enrolled in a covered school.

(8) “Designated district clinician” means the district employee or contractor who is licensed or otherwise legally authorized under state law to review deviations from stage assignment, provide clinical oversight where required by this Act, and carry out functions assigned by this Act.

(9) “Disclosure” means either—

(A) a student self-report that triggers one or more standardized self-report items on the anonymous harm-risk questionnaire; or

(B) a parent, guardian, or student-initiated report made under district procedures that is accepted under this Act for stage screening.

(10) “Flag” means a documented, rule-based referral initiated by a covered staff member under section 6 based only on the staff-observed indicator checklist and the required documentation template.

(11) “Family engagement pathway” means the student-controlled process under section 16 by which a student is offered limited safety-relevant family involvement with defined opt-out rights as to nonessential details, subject to the imminent danger criteria in section 16.

(12) “Hard endpoint proxy” means a de-identified external measure drawn from emergency department, overdose-treatment, emergency medical services, poison center, hospital discharge, or other legally available datasets that is used to assess population-level trends under section 19.

(13) “Immediate danger space” means the location, activity, or setting from which a student may be temporarily removed under section 13 in order to address a specific and immediate safety concern without disciplinary removal from education.

(14) “Imminent danger” means a present and objectively documented condition of imminent serious harm to self or others, as established by the criteria adopted under section 16 and consistent with applicable law.

(15) “Non-exclusionary response” means a school response that preserves educational access and does not include suspension, expulsion, police referral, school ban, or removal from program eligibility except as expressly authorized by this Act.

(16) “Protected support record” means any Recovery Coach record, support note, intake record, session summary, attendance log, referral record, family engagement record, stage assignment record, deviation review record, appeal record, or other record created under this Act and designated by rule as protected for continuity of care.

(17) “Recovery Coach” means a covered district employee or contractor who is assigned to provide timely contact, continuity support, referral coordination, warm handoff coordination, and related student-facing services under this Act.

(18) “Same-week contact” means live or interactive outreach to a student occurring no later than the fifth school day after a qualifying disclosure or flag, unless a shorter period is required by rule or by an emergency safety response.

(19) “Stage assignment” means the assignment of a student to a universal prevention stage, at-risk stage, or higher-support stage under the threshold architecture established by this Act.

(20) “Staff-observed indicator checklist” means the limited, rule-based checklist of symptom and context items established under this Act, which a staff member shall use when filing a flag.

(21) “Student-controlled selection” means a selection made by the student from among available support options, or by the student through a lawful assent or consent process required by other law.

(22) “Warm handoff” means a verified transfer to a community provider that includes confirmed scheduling, transfer of only the information permitted by this Act, and follow-up to complete linkage rather than a passive referral.

(b) ADDITIONAL DEFINITIONS BY RULE.—The state education authority may adopt additional definitions by rule only to the extent necessary to administer this Act and only if those definitions do not narrow any student protection or expand referral discretion beyond this Act.

(c) THRESHOLD ARCHITECTURE.—

(1) The state education authority shall publish threshold tables, scoring rules, and documentation templates that districts shall use without material deviation.

(2) A district shall not invent additional trigger categories that expand referral discretion beyond the statute.

(3) A district shall not omit any checklist item, scoring element, or documentation field required by the state education authority under this Act.

(4) Threshold tables and scoring rules shall be written to favor under-inclusivity only to the extent necessary to avoid false positives, but shall not be drafted so narrowly as to defeat timely support or continuity.

(d) NO IMPLIED LABELING.—No term defined in this section shall be interpreted to create a standing disciplinary label, permanent risk label, or evidentiary admission.

SEC. 4. UNIVERSAL PREVENTION CURRICULUM.

(a) REQUIRED DELIVERY.—Every covered school shall deliver an evidence-based prevention curriculum to all students.

(b) CONTENT.—The curriculum shall emphasize refusal skills, coping with stress and triggers, peer-norming, future-planning, and protective behavior.

(c) PARTICIPATION NOT TIED TO STATUS.—Participation in universal prevention shall not depend on disclosure, flagging, or discipline status.

(d) NO DISCIPLINARY USE.—The curriculum shall not be used as a covert screening tool, discipline device, or surveillance mechanism.

(e) SCHEDULING.—

(1) Each covered school shall deliver the curriculum on a recurring basis determined by rule.

(2) Each covered school shall provide annual boosters or refresher instruction.

(3) The schedule shall be published in a form accessible to parents, guardians, and students.

(f) ACCESSIBILITY.—Covered districts shall provide the curriculum in formats accessible to students with disabilities and in languages required by law for multilingual populations.

(g) STAFF INTERACTION NORMS.—Covered districts shall train staff in interaction norms that reinforce the curriculum’s prevention content and prohibit stigmatizing or coercive responses to student questions or disclosures.

(h) RECORDS.—Covered districts shall maintain attendance and delivery records sufficient to demonstrate compliance, and such records shall not identify students as at risk solely because of curriculum participation or nonparticipation.

SEC. 5. ANONYMOUS HARM-RISK QUESTIONNAIRE.

(a) AVAILABILITY.—Each covered district shall make available an anonymous harm-risk questionnaire with standardized self-report triggers.

(b) ACCESS.—The questionnaire shall be accessible to students at school and, where feasible, through a secure digital method approved by the district.

(c) NONIDENTIFYING COMPLETION.—A student shall be permitted to complete the questionnaire without entry into discipline or support records unless a subsequent lawful disclosure occurs.

(d) USE LIMITATION.—The questionnaire shall not be used to impose discipline or to create a permanent risk label.

(e) TRIGGER ITEMS.—The questionnaire shall contain only those standardized self-report items required or approved by the state education authority under this Act.

(f) NOTICE.—Each district shall provide plain-language notice describing—

(1) the purpose of the questionnaire;

(2) the information that may trigger follow-up;

(3) the information that will remain protected;

(4) the student’s right not to answer any item; and

(5) the prohibition on disciplinary use of questionnaire responses absent a subsequent lawful disclosure.

(g) AGGREGATE DATA.—

(1) A district may retain aggregate completion data.

(2) A district shall not retain identity-linked questionnaire responses unless retention is authorized by a lawful disclosure occurring after completion or by another lawful basis independent of the questionnaire.

(h) NO PENALTY FOR NONCOMPLETION.—No student shall be penalized, disciplined, or denied a benefit for declining to complete the questionnaire.

(i) INTEGRITY OF ANONYMITY.—The district shall use administrative, technical, and physical safeguards to preserve anonymity before any lawful disclosure occurs.

SEC. 6. STAFF-OBSERVED INDICATOR CHECKLIST AND DOCUMENTATION.

(a) LIMITED REFERRAL AUTHORITY.—A staff member may file a flag only when the staff-observed indicator checklist is fully or substantially matched as defined by statute.

(b) DOCUMENTATION REQUIREMENT.—The staff member shall document the specific checklist items observed and the context in the required template.

(c) NO GENERALIZED CONCERN.—A staff member shall not rely on generalized concern, rumor, hearsay, instinct, or subjective impression alone.

(d) NO AFTER-THE-FACT EXPANSION.—A staff member shall not add undocumented indicators after the fact.

(e) SAME-DAY SUBMISSION.—The staff member shall submit the completed template to the designated district review channel the same school day when reasonably practicable, and in no event later than the next school day unless the student’s immediate safety requires earlier action under section 16.

(f) REQUIRED TEMPLATE.—The required template shall be prescribed by the state education authority and shall include, at a minimum—

(1) date and time of observation;

(2) specific checklist items observed;

(3) context of the observation;

(4) any immediate safety action taken;

(5) the staff member’s name, title, and work location;

(6) the student’s name or other internal identifier only to the extent necessary for lawful school processing; and

(7) the certification of accuracy required by rule.

(g) LIMIT ON CONTENT.—Documentation under this section shall be limited to the fields required by the template and shall not include narrative embellishment beyond the minimum needed to explain the observed checklist items and context.

(h) NO SEARCH OR INTERROGATION AUTHORITY.—Nothing in this section shall authorize a staff member to search, interrogate, coerce, or detain a student beyond authority otherwise provided by law.

(i) TRAINING.—Covered districts shall train all staff authorized to file a flag on the checklist, template, threshold rules, and prohibited practices under this section.

(j) AUDITABILITY.—A flag submitted under this section shall be auditable, and the district shall retain the completed template in the protected support record system.

SEC. 7. STAGE ASSIGNMENT AND DEVIATION REVIEW.

(a) THRESHOLD-BASED ASSIGNMENT.—Stage assignment shall follow pre-set scoring thresholds established by statute or authorized rule.

(b) DEFAULT ASSIGNMENT.—If the threshold is met, the student shall be assigned to the corresponding stage without additional discretionary criteria except as expressly authorized by this Act.

(c) DEVIATION.—If a student is assigned outside the threshold, the assigning authority shall provide a written reason.

(d) CLINICAL REVIEW.—A designated district clinician shall review each deviation within 5 school days after the deviation is made.

(e) CLINICIAN ACTION.—Upon review, the designated district clinician may affirm, modify, or reverse the deviation in writing.

(f) DEVIATION LOG.—Each district shall maintain a deviation log containing—

(1) the student identifier;

(2) the date of deviation;

(3) the assigned stage;

(4) the threshold stage;

(5) the written reason for deviation;

(6) the reviewing clinician;

(7) the date of review; and

(8) the final disposition.

(g) NOTICE.—The district shall provide notice of stage assignment and review rights to the student and, to the extent permitted by law and required under section 16, to a parent or guardian.

(h) NONRETALIATION.—A student shall not be treated more harshly because a deviation was reviewed or challenged.

(i) PATTERN OF EVASION.—A pattern of threshold evasion, repeated unjustified deviations, or deviation use to avoid providing required support shall constitute a compliance deficiency and shall trigger corrective action.

(j) RULEMAKING.—The state education authority shall establish by rule the circumstances, if any, under which a deviation may be permitted without prior clinician review because of an immediate safety need, and any such rule shall be narrowly drawn.

SEC. 8. STUDENT APPEAL OF STAGE ASSIGNMENT.

(a) RIGHT TO APPEAL.—A student shall have a non-retaliatory appeal pathway to contest stage assignment.

(b) CONTENT OF APPEAL.—The appeal pathway shall allow the student to submit additional relevant information and may allow submission by a parent or guardian when authorized by law.

(c) REVIEWER.—The appeal shall be reviewed by a qualified reviewer not involved in the initial assignment where feasible.

(d) CONTINUING SERVICES.—The student shall remain eligible for supportive services during appeal.

(e) NO DELAY OF UNIVERSAL SUPPORT.—An appeal shall not delay universal prevention or immediate safety measures.

(f) NOTICE OF RIGHTS.—Districts shall provide age-appropriate notice of appeal rights, the time for filing an appeal, the review process, and the availability of support during appeal.

(g) TIMELINESS.—Appeals shall be resolved within a reasonable time not to exceed the period established by rule.

(h) RECORDS.—Appeal submissions, findings, and disposition shall be maintained as protected support records.

(i) NO RETALIATION.—No adverse educational action, denial of service, or discipline shall be taken solely because an appeal was filed.

(j) CORRECTIVE AUTHORITY.—The state education authority may require a district to review appealed assignments and may require corrective action if appeal denials reflect systemic threshold misuse.

SEC. 9. RISK-STAGE SUPPORT LADDER AND STUDENT-CHOICE INTENSITY.

(a) AUTOMATIC OFFER.—Upon stage assignment, a district shall automatically offer universal prevention and stage-appropriate skills supports.

(b) INTENSIFIED SERVICES.—Intensified coaching and treatment linkage shall be opt-in by the student, or by student-controlled selection where legally permitted.

(c) NO ADMISSION OF WRONGDOING.—Participation in intensified services shall not be treated as admission of wrongdoing in school records, discipline records, or any other school-maintained record.

(d) NO DISCIPLINARY CONSEQUENCE FOR REFUSAL.—A student's refusal of intensified services shall not result in punitive treatment, adverse educational action, or loss of access to universal prevention or other lawful supports.

(e) OPTION MENU.—Each district shall provide, at minimum, the support options prescribed by rule, which may include education-only support, coaching, counseling, care coordination, and community linkage, provided that the student-control rule in subsection (b) is preserved.

(f) MOVEMENT BETWEEN LEVELS.—A student may move between support intensities without waiting for a new eligibility determination, subject only to minimal safety screening required by law.

(g) EXPLANATION IN PLAIN LANGUAGE.—The district shall explain support options in plain-language materials that distinguish support from discipline and that avoid coercive framing.

(h) ACCESSIBILITY.—The support ladder shall be accessible to students with disabilities and students with limited English proficiency.

SEC. 10. RECOVERY COACH COVERAGE, STAFFING RATIOS, AND CASELOAD CAPS.

(a) FUNDING DUTY.—Each district shall fund Recovery Coach coverage using minimum staffing ratios and caseload caps established by rule.

(b) SUBSTITUTE COVERAGE.—Each district shall provide substitute coverage rules sufficient to preserve same-week contact.

(c) NO AD HOC AVAILABILITY.—A district shall not rely on ad hoc availability to satisfy this Act.

(d) CAPACITY DOCUMENTATION.—Each district shall maintain capacity documentation showing how coverage is met during absences, vacancies, peak demand, and school closures.

(e) DISTRICT PLAN.—Each district shall publish a staffing plan and shall update that plan when enrollment changes materially, when staffing changes materially, or when the district otherwise cannot meet required time standards.

(f) MULTI-BUILDING COVERAGE.—Where a district serves multiple buildings, the district shall allocate coverage to preserve the time standards in this Act for each covered school.

(g) MINIMUM ACCESS.—No student shall be denied timely contact because caseload caps were exceeded without activation of the fallback procedure under section 12.

(h) REPORTING.—The district shall report staffing vacancies, caseload exceedances, substitute coverage use, and coverage gaps in the compliance report required by section 19.

SEC. 11. TIME STANDARDS FOR INITIAL CONTACT.

(a) SAME-WEEK CONTACT.—The district shall make same-week contact after a qualifying disclosure or flag.

(b) MEANINGFUL CONTACT.—Contact shall be timely enough to permit meaningful prevention support, not merely administrative acknowledgment.

(c) DOCUMENTATION.—The district shall record—

(1) the date of disclosure or flag;

(2) the date of first contact;

(3) the mode of contact;

(4) whether the contact was live or interactive; and

(5) whether the contact satisfied the same-week requirement.

(d) CONTINUED ATTEMPTS.—If initial contact is not successful, the district shall continue attempts until successful contact or until the fallback procedure under section 12 is completed.

(e) LEAST INTRUSIVE METHOD.—Contact attempts shall use the least intrusive lawful method reasonably available.

(f) DISTRICT FAILURE.—The student shall not be blamed for missed contact caused by district capacity failure.

(g) NOTICE OF FAILURE.—If same-week contact is missed, the district shall document the reason and shall include that failure in compliance reporting.

(h) CORRECTIVE ACTION.—Repeated time-standard failure shall require a corrective plan that addresses staffing, coverage, and fallback reliability.

SEC. 12. FALLBACK TELEHEALTH-FIRST INTAKE AND REFERRAL APPOINTMENT.

(a) TRIGGER.—When same-week contact cannot be met due to coverage gaps, the district shall provide telehealth-first intake.

(b) VERIFIED APPOINTMENT.—Where a referral is needed, the district shall secure a verified referral appointment within 48 hours after fallback is triggered.

(c) FOLLOW-UP.—The district shall complete follow-up within 5 school days after the fallback is triggered.

(d) AUTOMATIC ACTIVATION.—Fallback procedures shall be activated without discretionary delay once the triggering condition exists.

(e) LOGGING.—Fallback activation shall be logged by the district and, where used, by the designated district clinician.

(f) TRANSPORTATION SUPPORT.—The district shall provide transportation support where permitted by law and available under district policy.

(g) NO STIGMA.—Fallback procedures shall be available without stigma and without disciplinary conditions.

(h) NO LOSS OF ACCESS.—No student shall lose access because a preferred in-person service was unavailable.

(i) PROOF OF COMPLETION.—The district shall retain proof of the verified appointment and proof of follow-up completion in the protected support record.

SEC. 13. NON-EXCLUSIONARY CONDUCT RULE.

(a) PROHIBITED DISCIPLINE.—No student shall be suspended, expelled, or referred to police for drug-related conduct unless violence, weapons, or sale or trafficking is involved.

(b) IMMEDIATE SAFETY RESPONSE.—Where an immediate safety concern exists, the school may temporarily remove the student only from the immediate danger space.

(c) NOT DISCIPLINARY REMOVAL.—A temporary safety removal shall not be treated as disciplinary removal from education.

(d) EDUCATIONAL ACCESS.—The district shall provide continued educational access during any temporary removal consistent with safety.

(e) DOCUMENTATION.—School personnel shall document the safety basis for any temporary removal, the specific immediate danger space, the duration of the removal, and the educational access provided during the removal.

(f) RETURN TO ACCESS.—The student shall be returned to educational access as soon as the immediate danger is addressed.

(g) NO LIMIT ON EMERGENCY AUTHORITY.—This section shall not limit lawful emergency intervention for imminent physical danger, violence, or other conduct for which immediate protective action is required by law.

(h) NO CONCEALMENT OF SERIOUS CRIMINAL CONDUCT.—This section shall not authorize concealment of serious criminal conduct involving violence, weapons, trafficking, coercion, or other conduct not covered by the non-exclusionary rule.

(i) DISCIPLINE RECORD SEPARATION.—A temporary safety removal under this section shall not be entered into a discipline record except as required to document the temporary safety action and the educational access provided.

SEC. 14. GUARANTEED WARM Handoff AND COMMUNITY PROVIDER LINKAGE.

(a) MEMORANDA OF UNDERSTANDING.—Each district shall maintain standing memoranda of understanding with youth-friendly community providers where permitted by law.

(b) EDUCATION AND READINESS.—Each district shall provide overdose-response planning education and naloxone readiness consistent with applicable law.

(c) LINKAGE REQUIREMENT.—If conditional supply coordination is unavailable, the district shall still complete a warm handoff within the same 5-school-day window.

(d) COMPONENTS OF WARM HANDOFF.—The warm handoff shall include—

(1) a verified appointment;

(2) transportation support where permitted by law;

(3) transfer of only the information permitted by this Act; and

(4) a follow-up call within 24 hours.

(e) PROVIDER AGREEMENT CONTENT.—Each memorandum of understanding shall identify—

(1) a point of contact;

(2) intake procedures;

(3) scheduling procedures;

(4) escalation contacts;

(5) after-hours procedures, if available; and

(6) confidentiality and data-handling procedures consistent with this Act.

(f) RECURRING UPDATE.—Districts shall update provider agreements on a recurring schedule and after any material service change affecting availability, hours, or referral processing.

(g) NO PASSIVE REFERRAL.—The warm handoff shall not be replaced by a passive referral list or mere written notice.

(h) NO ABANDONMENT.—No student shall be abandoned after initial screening because a provider relationship is incomplete.

(i) REPORTING.—Completion rates for warm handoffs shall be reported under section 19.

SEC. 15. OVERDOSE-RESPONSE EDUCATION AND HARM-MINIMIZATION READINESS.

(a) REQUIRED EDUCATION.—Districts shall provide overdose-response planning education to students and relevant staff as required by law.

(b) NALOXONE READINESS.—Districts shall maintain naloxone readiness to the extent authorized by law and district policy.

(c) HARM-MINIMIZATION INTEGRATION.—Districts shall integrate harm-minimization education into the broader prevention framework required by this Act.

(d) NO SUBSTITUTION FOR SUPPORT.—The district shall not use safety education as a substitute for timely support or referral.

(e) TRAINING.—Training under this section shall be delivered on a recurring schedule and refreshed after material guidance changes.

(f) EMERGENCY COORDINATION.—Schools shall maintain protocols for emergency response consistent with local emergency services coordination and applicable law.

(g) AGE-APPROPRIATE CONTENT.—Education under this section shall be age-appropriate and non-stigmatizing.

(h) RECORDS.—Districts shall maintain proof of training completion and readiness compliance where lawful and required by rule.

SEC. 16. GUARDIAN ENGAGEMENT AND LIMITED FAMILY NOTIFICATION.

(a) STANDARDIZED IMMINENT-DANGER CRITERIA.—The district shall apply standardized imminent-danger criteria before emergency family notification or clinician notification is required.

(b) PERIODIC CALIBRATION.—The district shall periodically calibrate imminent-danger criteria and shall train covered staff on the criteria.

(c) SECOND MECHANISM FOR HIGH-RISK INDICATORS.—For defined high-risk indicators, including repeated suspected opioid use, visible intoxication signs, or prior overdose history, the student shall be offered a student-controlled family engagement pathway.

(d) LIMITED DISCLOSURE.—The family engagement pathway shall provide only limited safety-relevant information and shall permit opt-out of details that are not necessary for safety.

(e) CLINICIAN NOTIFICATION.—Clinician notification shall remain optional unless the criteria for imminent danger are met.

(f) MINIMUM NECESSARY.—Any family notice shall be limited to the minimum information necessary for safety unless a different disclosure is required by law.

(g) NONCOERCION.—Family engagement shall not be used to pressure unnecessary disclosure, to threaten discipline, or to broaden surveillance beyond the purpose of safety.

(h) DOCUMENTATION.—All family-notification decisions shall be documented, including the criteria used, the information disclosed, the recipient, the date and time, and the staff member authorizing the notice.

(i) ACCESSIBILITY.—Family engagement notices shall be issued in a language understood by the parent or guardian when required by law and shall be made in an accessible format when necessary.

SEC. 17. CONFIDENTIALITY FIREWALLS AND PROTECTED SUPPORT RECORDS.

(a) USE LIMITATION.—Recovery Coach records and protected support records shall be used only for continuity of care and aggregated prevention reporting.

(b) DISCIPLINE RECORD BAR.—Those records shall not be placed in school discipline records.

(c) POLICE INVESTIGATION BAR.—Those records shall not be used in police investigations.

(d) ADMISSION BAR.—Those records shall not be used as admissions of misconduct.

(e) NO DERIVATIVE RECHARACTERIZATION.—No staff member may paraphrase protected content into a disciplinary note to evade this section.

(f) ACCESS CONTROLS.—Each district shall maintain role-based access permissions, segregation of records, and access logs for protected support records.

(g) STUDENT NOTICE.—Each district shall provide student notice in plain language describing what is and is not shared and under what narrow circumstances a safety exception may occur.

(h) SAFETY EXCEPTION.—Any safety exception shall be narrowly defined, limited to the minimum necessary information, logged, and auditable.

(i) BREACH RESPONSE.—Unauthorized access, use, or disclosure shall be treated as a reportable confidentiality breach and shall be addressed under district incident response procedures and applicable law.

(j) DISCLOSURE LOG.—The district shall maintain a disclosure log sufficient to identify each exception, the reason for the exception, the information disclosed, the recipient, and the reviewing authority.

SEC. 18. DATA CORRECTION, DELETION, AND NON-EVIDENTIARY REMEDIES.

(a) CORRECTION REQUEST.—A student or authorized representative shall be able to request correction of inaccurate protected support records.

(b) REVIEW.—A district shall review each request and shall correct or annotate the record where appropriate.

(c) IMPROPERLY USED INFORMATION.—Improperly accessed or used information shall be deleted or otherwise remediated where lawful and feasible.

(d) NO RETALIATION.—A district shall not deny support services, educational access, or any other benefit because a correction request was made.

(e) TIMELINE.—A district shall process correction requests within the timeline established by rule.

(f) NOTICE OF DISPOSITION.—The district shall notify the requester of the disposition and any lawful retention obligation that prevents deletion.

(g) NO DESTRUCTION OF AUDIT TRAILS.—Correction and deletion remedies shall not be used to destroy required audit trails except as allowed by law.

(h) REMEDIAL RECORD.—If a record is corrected or annotated, the district shall maintain the corrective record in the protected support system.

SEC. 19. EVALUATION, REPORTING, AND AUDIT.

(a) SEMESTER EVALUATION.—Each district shall conduct semester evaluation using leading indicators and at least one lag-tolerant hard endpoint proxy where legally available.

(b) REQUIRED LEADING INDICATORS.—The report required by subsection (a) shall include—

(1) time-to-first-contact distributions;

(2) no-show rates;

(3) help-seeking uptake;

(4) availability compliance; and

(5) warm-handoff completion rates.

(c) ADDITIONAL REPORTING.—The district shall report any disciplinary removals for substance-related conduct.

(d) DE-IDENTIFIED EXTERNAL DATA.—To the extent legally available, the district or state education authority shall use de-identified external emergency or overdose-treatment datasets for hard endpoint proxy evaluation.

(e) INDEPENDENT AUDIT.—Independent audits shall review documentation quality, threshold compliance, confidentiality compliance, and under-reporting incentives.

(f) AUDIT SCOPE.—The audit shall include sampling of—

(1) questionnaire procedures;

(2) flag documentation;

(3) stage assignment deviations;

(4) appeal files;

(5) time standards;

(6) fallback activation;

(7) warm handoff completion;

(8) confidentiality access logs; and

(9) family notification decisions.

(g) PROHIBITION ON GAMING.—Reporting shall not be structured to reward concealment, overbroad deferral, or removal of students from the support pathway.

(h) CORRECTIVE ACTION.—Material under-reporting, missing data, or gaming shall require corrective action, supplemental reporting, or technical assistance.

(i) PUBLIC REPORT.—The state education authority shall publish a statewide summary report each year in a de-identified form that protects student privacy and that aggregates district performance data required by this Act.

SEC. 20. ROLLBACK, ADJUSTMENT, AND RESOURCE-NEUTRAL SAFEGUARDS.

(a) CONDITIONS FOR ROLLBACK OR ADJUSTMENT.—Rollback or adjustment of a district component under this Act shall be permitted only after independent review shows that the component increases concealment or missed-care proxies or worsens hard-endpoint proxy trends.

(b) RESOURCE-NEUTRAL SAFEGUARDS.—When tightening is triggered, the district shall shift staffing toward earlier coaching and shall ensure fallback continuity.

(c) PROHIBITION ON PUNITIVE SUBSTITUTE.—A corrective action plan shall not replace continuity services with punitive measures.

(d) MAINTENANCE OF ACCESS.—A district shall maintain access to fallback continuity during any corrective transition.

(e) DOCUMENTED BASIS.—Any rollback decision shall be documented with the evidentiary basis and the reviewing authority.

(f) VOIDABILITY.—Unauthorized rollback shall be voidable by the supervising authority.

(g) ACCESS REDUCTION.—A rollback that reduces access, confidentiality, or continuity required by this Act shall constitute a compliance violation.

(h) NO RETALIATION AGAINST STUDENTS.—No student shall lose service access because a corrective plan is pending or because the district is under review.

SEC. 21. IMPLEMENTATION TIMELINE AND TRANSITION DUTIES.

(a) INITIAL RULES.—Within 90 days after enactment, the state education authority shall issue initial rules, templates, and threshold tables necessary to implement this Act.

(b) LOCAL CONFORMING POLICY.—Within 120 days after issuance of the initial rules, each district shall adopt conforming local policy and designate an implementation lead.

(c) FIRST FULL TERM IMPLEMENTATION.—By the start of the first full school term after the effective date, each district shall implement—

(1) the universal prevention curriculum;

(2) the anonymous harm-risk questionnaire;

(3) the staff-observed indicator checklist and required template;

(4) the confidentiality firewall;

(5) the appeal pathway; and

(6) the notice required by this Act.

(d) STAFFING AND PROVIDER DUTIES.—By the end of the first full school term after the effective date, each district shall establish—

(1) staffing plans;

(2) substitute coverage rules;

(3) provider memoranda of understanding;

(4) fallback telehealth or referral procedures; and

(5) capacity documentation.

(e) TRANSITION PLAN.—Each district shall file an implementation plan and milestone calendar with the state education authority within the period established by rule.

(f) INTERIM PRACTICES.—Any interim practice used during transition shall preserve confidentiality, continuity, and educational access and shall not delay student support beyond the time standards in this Act.

(g) STATE GUIDANCE.—The state education authority may issue transition guidance and model forms.

(h) CONTINUITY DURING IMPLEMENTATION.—No district shall delay implementation of a core protection of this Act on the ground that all supporting systems have not yet been fully optimized.

SEC. 22. ADMINISTRATION, RULEMAKING, AND TECHNICAL ASSISTANCE.

(a) RULEMAKING.—The state education authority shall promulgate rules necessary to implement this Act.

(b) DISTRICT COMPLIANCE.—Districts shall comply with forms, threshold tables, audit protocols, and other instruments adopted under this Act.

(c) TECHNICAL ASSISTANCE.—The state education authority may provide technical assistance and model contracts for provider linkage.

(d) MODEL MATERIALS.—The state education authority may publish model notices, model templates, model memoranda of understanding, model access logs, model training content, and model appeal forms.

(e) ACCESSIBLE PUBLICATION.—The state education authority shall publish implementation materials in accessible formats.

(f) COMMENT.—Rulemaking under this section shall include notice and opportunity for public comment to the extent required by law.

(g) NO DILUTION.—Rules adopted under this section shall not dilute statutory time standards, confidentiality protections, or non-exclusionary requirements.

(h) NO UNFUNDED ADMINISTRATIVE SHIFT.—Technical assistance shall not be conditioned on surrendering protected support records beyond lawful oversight needs.

SEC. 23. ENFORCEMENT; COMPLIANCE; PENALTIES.

(a) COMPLIANCE REVIEW.—The state education authority may conduct compliance reviews of any covered district or covered school.

(b) CORRECTIVE ACTION ORDER.—If the state education authority determines that a district is not in compliance with this Act, the authority may issue a corrective action order requiring the district to remedy the violation within a stated period.

(c) WITHHOLDING OR REALLOCATION OF FUNDS.—Subject to applicable law, the state education authority may withhold, reallocate, or condition state funds to the extent necessary to secure compliance with this Act.

(d) DIRECTIVE AUTHORITY.—The state education authority may direct a district to revise staffing, records procedures, access controls, training, or provider-linkage procedures to correct a violation.

(e) STAFF MISUSE.—A staff member who knowingly violates the confidentiality firewall, documentation requirements, or non-evidentiary use restrictions of this Act shall be subject to discipline consistent with law and district policy.

(f) DISTRICT LIABILITY.—A district that fails to train staff, maintain required access controls, or preserve required logs shall be responsible for the consequences of that failure under applicable law.

(g) PRIVATE RIGHT OF ACTION.—Nothing in this Act shall be construed to create a private right of action unless such right is expressly provided by other law.

(h) ADMINISTRATIVE REVIEW.—Any administrative review or appeal from a corrective action order shall not stay the order unless a stay is authorized under applicable law and a stay would not materially impair student access, confidentiality, or safety.

SEC. 24. APPROPRIATIONS; GRANTS; FUNDING AUTHORITY.

(a) APPROPRIATION AUTHORIZED.—There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act.

(b) USE OF FUNDS.—Funds appropriated or made available for this Act may be used for—

(1) universal prevention curriculum delivery;

(2) staff training;

(3) Recovery Coach staffing;

(4) substitute coverage;

(5) telehealth-first intake and referral coordination;

(6) provider memoranda of understanding and linkage administration;

(7) confidentiality systems and access logs;

(8) evaluation and audit;

(9) transportation support where permitted by law; and

(10) implementation planning and public notice.

(c) GRANTS.—The state education authority may award competitive or formula grants to districts for implementation, provided that grant conditions do not reduce any statutory protection.

(d) LOCAL MATCH.—If a local match is required by another law or grant condition, the match shall not be structured so as to diminish required student access, confidentiality, or continuity.

(e) NO SUPPLANTING OF REQUIRED FUNCTIONS.—Appropriated funds shall supplement, and not replace, any duty of a district to comply with this Act.

(f) BUDGET DOCUMENTATION.—A district seeking funding under this section shall submit a budget and implementation plan demonstrating how the district will meet staffing ratios, caseload caps, and time standards.

(g) FUNDING DEFICIENCY.—A district shall not claim noncompliance with this Act based solely on insufficient local planning or delay in applying for available funds.

SEC. 25. RECORD RETENTION; ACCESSIBILITY; PLAIN-LANGUAGE NOTICE.

(a) RETENTION.—Each district shall retain records required by this Act for the period established by rule and no longer than necessary under applicable law.

(b) ACCESSIBILITY.—All required notices, forms, templates, and reports shall be made available in accessible formats.

(c) PLAIN-LANGUAGE REQUIREMENT.—A district shall provide plain-language explanations of—

(1) the universal prevention curriculum;

(2) the anonymous questionnaire;

(3) flagging procedures;

(4) stage assignment;

(5) appeal rights;

(6) support options;

(7) confidentiality protections;

(8) family engagement rules; and

(9) correction rights.

(d) TRANSLATION.—The district shall provide translation or interpretation services as required by law.

(e) PERIODIC DISTRIBUTION.—Required notices shall be distributed at least annually and upon material policy change.

SEC. 26. RULES OF CONSTRUCTION; LIMITATION ON USE OF RECORDS.

(a) NO ADMISSION BY PARTICIPATION.—Participation in any stage, support level, appointment, warm handoff, or family engagement pathway under this Act shall not constitute an admission of misconduct.

(b) NO DISCIPLINE PREDICATE.—Protected support records shall not serve as the sole or primary predicate for discipline, expulsion, police referral, or loss of educational opportunity.

(c) NO SURVEILLANCE EXPANSION.—This Act shall not be construed to authorize general surveillance of students for drug use beyond the specific mechanisms and thresholds established in this Act.

(d) NO RETALIATION.—No student may be retaliated against for making a disclosure, completing the questionnaire, accepting or declining support, appealing a stage assignment, requesting correction, or participating in a family engagement pathway.

(e) LEAST INTRUSIVE MEANS.—A district shall use the least intrusive lawful means in implementing contact, family engagement, emergency response, and referral functions.

SEC. 27. SEVERABILITY.

If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SEC. 28. EFFECTIVE DATE.

(a) EFFECTIVE DATE.—Except as otherwise provided in this Act, this Act shall take effect on July 1 following enactment.

(b) RULES AND PREPARATORY ACTIONS.—The state education authority may adopt rules, issue guidance, and prepare forms before the effective date, provided that no student shall be subject to any duty or restriction under this Act until the effective date.

(c) PHASE-IN.—If implementation of a specific provision requires a phased approach under rule, the phase-in shall not delay core protections, including universal prevention, non-exclusionary response, confidentiality firewall creation, and the appeal pathway, beyond the timetable established in section 21.

(d) CONTINUING OBLIGATIONS.—Any obligation that by its nature continues beyond the effective date shall remain in force until changed by law.

SEC. 29. REPORT TO THE LEGISLATURE.

(a) ANNUAL REPORT.—The state education authority shall submit an annual report to the legislature concerning implementation of this Act.

(b) CONTENTS.—The report shall include, in aggregate and de-identified form, district compliance status, statewide staffing capacity, semester indicators, audit findings, confidentiality breach data, corrective actions, and any recommended statutory changes.

(c) NO IDENTIFIABLE DATA.—The report shall not contain student-identifiable information.

(d) PUBLIC AVAILABILITY.—The report shall be made available to the public in an accessible format consistent with law.

SEC. 30. RULE OF DIFFERENTIAL CONFORMITY.

If any district policy, contract, memorandum, form, data system, or practice conflicts with this Act, the district shall revise the policy, contract, memorandum, form, data system, or practice so that it conforms to this Act within the period established by rule, and until conforming revision occurs, the district shall follow the least restrictive lawful practice that preserves student access, confidentiality, and continuity.

SEC. 31. IMPLEMENTATION LEAD.

(a) DESIGNATION.—Each district superintendent or equivalent chief executive shall designate an implementation lead.

(b) DUTIES.—The implementation lead shall coordinate compliance with this Act, including staffing, training, notices, record segregation, reporting, and corrective action.

(c) NOTICE TO STATE.—The district shall notify the state education authority of the designation within the time required under section 21.

(d) FAILURE TO DESIGNATE.—Failure to designate an implementation lead shall constitute a compliance deficiency.

SEC. 32. STAFF TRAINING.

(a) REQUIRED TRAINING.—Each district shall provide annual training to covered staff on this Act.

(b) CONTENT.—Training shall include—

(1) the prevention curriculum;

(2) questionnaire administration;

(3) flag criteria;

(4) documentation templates;

(5) stage assignment thresholds;

(6) appeal rights;

(7) time standards;

(8) fallback procedures;

(9) family engagement rules;

(10) confidentiality firewalls; and

(11) emergency response and non-exclusionary conduct rules.

(c) COMPLETION RECORDS.—The district shall retain training completion records.

(d) REFRESHERS.—The district shall provide refresher training after material rule changes or if audit findings indicate deficiency.

SEC. 33. NO IMPLIED WAIVER OF OTHER RIGHTS.

Nothing in this Act shall be construed to waive any right, remedy, protection, or requirement available under any other law.

SEC. 34. CUMULATIVE EFFECT.

The duties and protections established by this Act are cumulative to any other applicable student safety, confidentiality, education, disability, or health requirements, except to the extent of direct conflict, in which case this Act shall control to the extent permitted by law.

SEC. 35. AUTHORIZATION OF EMERGENCY ACTIONS.

Nothing in this Act shall prohibit a school, district, staff member, or emergency responder from taking immediate action required by law to address imminent physical danger, medical emergency, violence, weapons, or trafficking-related conduct.

SEC. 36. FINAL CONFORMING AUTHORITY.

The state education authority shall promulgate such additional conforming rules, forms, and guidance as are necessary to administer this Act, provided that no such rule, form, or guidance shall eliminate, narrow, or materially weaken any student protection created by this Act.

Analytical Comparison

The generated bill replaces branded police-led lectures with evidence-based prevention, implementation standards, outcome evaluation, and funding conditions. It directly addresses the institutional failure mode of the original D.A.R.E. model.

18. Case Analysis

Sex offender residency restriction laws

Case type: historically weak or adverse practice.

Historical Legal Regime

Sex-offender residency restriction laws in multiple states and localities prohibited persons on registries from living within specified distances of schools, parks, daycare centers, or other child-related facilities. The regime was often geographic and categorical, with limited tailoring to individual risk, specific victim-protection needs, housing stability, employment access, or monitoring capacity.

Normative Request

Design a law to reduce sexual reoffending and improve community safety while preserving supervision, housing stability, employment access, and law-enforcement monitoring capacity.

Empirical Evidence

Research reviews find little evidence that broad residency restrictions reduce sexual recidivism and indicate they can increase homelessness, instability, and monitoring difficulty.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Broad geographic exclusion zones around schools, parks, or child-related facilities without individualized risk assessment or evidence of reduced recidivism. Preferred architecture: Individualized risk assessment, targeted supervision conditions, treatment, victim protection, stable housing supports, and evaluation of recidivism and compliance outcomes.

Generated Bill

A BILL

To promote status-preserving reentry and supervision for persons under supervision for sexual offenses, to strengthen community safety through individualized, least-restrictive, time-limited, and reviewable access-affecting restrictions, to create limited provider safe harbors and minimal-disclosure procedures, to establish engagement participation feeds and evidentiary timing rules, to provide for monitoring, reporting, enforcement, appropriations, relation to existing law, severability, and an effective date, and for other purposes.

Be it enacted by the Legislature of the State of __________:

SECTION 1. SHORT TITLE AND LEGISLATIVE FINDINGS.

(a) Short title.--This Act may be cited as the "Status-Preserving Reentry, Supervision Stability, and Community Safety Act".

(b) Legislative findings.--The Legislature finds and declares all of the following:

(1) Stable housing, stable employment, and predictable supervision conditions support compliance with supervision, participation in treatment, and community safety.

(2) Access-affecting restrictions shall be limited to individualized, evidence-based, least-restrictive, and time-limited measures.

(3) Employers and housing providers shall not bear a duty to evaluate treatment adequacy, clinical progress, or rehabilitation success.

(4) The State has a compelling interest in preserving the capacity of supervising agencies and law enforcement to monitor compliance, intervene upon verified escalation of risk, and prevent sexual reoffending.

(5) Supervision conditions that are unstable, overbroad, or indefinite may undermine residence, work, treatment participation, and supervision compliance.

(6) The State has an interest in limiting disclosure of treatment content, clinical details, and unnecessary personal information to persons who are not treatment providers or supervising officials.

(7) The State has an interest in establishing narrow emergency procedures for imminent, specific harm, with prompt evidentiary review and automatic reversion to the least-restrictive package when the emergency predicate is not sustained.

(8) The State has an interest in using standardized, auditable, and pre-registered indicators when evaluating any rollback, sunset, or expansion of supervision or access-affecting restrictions.

(c) Construction.--This Act shall be construed to advance the findings stated in subsection (b) and to preserve the least-restrictive package of supervision conditions consistent with public safety and this Act.

SECTION 2. DEFINITIONS.

As used in this Act, unless the context clearly requires otherwise:

(a) "Access-affecting restriction" means a supervision condition or court order that restricts, limits, or conditions any of the following:

(1) residence, tenancy, lodging, or housing access;

(2) employment, job placement, worksite access, or occupational participation;

(3) internet access, electronic communication access, or device access;

(4) physical presence in a geographic area, at a property, or near a person, place, or class of place;

(5) time of movement, curfew, schedule, or hours of presence;

(6) contact with any person, class of persons, or class of locations.

(b) "Agency" means the Department of Corrections, Department of Probation and Parole, or other adult supervision authority designated by law to supervise a covered person.

(c) "Applicant" means a covered person seeking housing or employment from a covered recipient.

(d) "Attorney" means counsel of record or, where self-represented status is permitted by law, the covered person.

(e) "Board" means the state board, commission, or office designated to issue rules, standards, forms, or implementation guidance under this Act.

(f) "Covered person" means a person convicted of a sexual offense who is under probation, parole, post-release supervision, or comparable criminal supervision.

(g) "Covered recipient" means an employer, housing provider, workforce intermediary, landlord, property manager, residential association, or other person or entity that receives and relies on a Supervision Constraint Status, Evidence Packet, or placement covenant under this Act.

(h) "Court" means the court of original jurisdiction over the supervision order, or any court designated by law to review, modify, or enforce supervision conditions.

(i) "Current valid summary" means a Supervision Constraint Status or Evidence Packet that is effective on the date of reliance and has not expired, been superseded, or been invalidated by the agency.

(j) "Default package" means the least-restrictive set of supervision conditions required under section 5.

(k) "Department" means the agency designated by law as the principal adult supervision authority.

(l) "Device access" means access to a cellular telephone, computer, tablet, internet-connected device, or other electronic communication device.

(m) "Evidentiary hearing" means a hearing at which testimony, documentary evidence, or recorded evidence may be received and at which the court shall make written findings based on the record.

(n) "Evidence Packet" means the state-issued packet generated from the supervision verification portal that contains the current constraint set, the validity start date, the validity end date, the reason codes for each disclosed constraint, and the admissible evidence types supporting each disclosed constraint.

(o) "Engagement participation feed" means the cryptographically logged transmission of treatment attendance, appointment completion, referral completion, and similar nonclinical participation data, but not treatment content, diagnoses, therapeutic notes, or evaluator notes.

(p) "Expiration date" means the date on which a restriction or summary ceases to be effective by its own terms.

(q) "Good-faith reliance" means reliance on a current valid summary without actual knowledge of contrary facts and without willful blindness.

(r) "Housing provider" means a landlord, property manager, lessor, sublessor, or person who controls, offers, or administers residential occupancy.

(s) "Imminent" means a fixed seven-day time window beginning on the date of issuance of an emergency order or the date of the expert risk statement supporting that order, whichever is later.

(t) "Imminent specific harm" means a specific harm that is likely to occur within the imminent period and that is identified in a written expert risk statement as a named, objective target category.

(u) "Independent evaluator" means an entity or person retained or designated by the State, who is independent of direct supervision decision-making and who conducts audits, outcome evaluation, and rollback or sunset analyses under this Act.

(v) "Least-restrictive alternative" means the smallest restriction or combination of restrictions that reasonably addresses the identified supervision need and preserves lawful housing, lawful employment, and treatment access to the maximum extent consistent with supervision.

(w) "Monitoring adequacy floor" means the minimum supervision and treatment-continuity support level necessary for a covered person under this Act, below which rollback or sunset may not proceed unless the violence-relevant outcome test is satisfied.

(x) "Nonclinical data" means participation, attendance, appointment completion, referral completion, availability, scheduling, and other administrative information that does not reveal treatment content.

(y) "Placement covenant" means a written agreement between a covered recipient and a covered person that is co-extensive with the current constraint set disclosed by the State and that governs housing or employment participation for that person.

(z) "Procedural irregularity" means a defect in transmission, authentication, timing, format, or admissibility that does not itself establish the truth or falsity of the underlying engagement event.

(aa) "Reportable breach" means an event defined under section 17 as an objective, reportable category of violation of a placement covenant or disclosed restriction.

(bb) "Rollback" means the reduction, suspension, or termination of a restriction, program, rule, or class of restrictions.

(cc) "Safe harbor" means the immunity and limited-liability protection provided under section 9 to a covered recipient acting in good-faith reliance on a current valid summary.

(dd) "Specific harm" means a named, objective target category, including a particular person, protected class of person, property category, institution category, location category, or time-window category, that is identified in a written expert risk statement.

(ee) "Supervision Constraint Status" means the one-page state-issued conditions summary generated from the supervision verification portal that lists only the currently effective, enumerated non-contact, area, or time constraints, if any, together with the start date and expiration date for each listed constraint.

(ff) "Supervision verification portal" means the state information system used to generate, publish, timestamp, and archive the Supervision Constraint Status, Evidence Packet, engagement participation feed, change-management log, and audit trail required by this Act.

(gg) "Treatment-access-only package" means the least-restrictive set of conditions that preserves lawful access to treatment, supervision contact, and required monitoring, while not adding any additional access-affecting restriction not independently supported under this Act.

(hh) "Treatment engagement" means attendance, participation, completion of appointments, completion of referral steps, compliance with scheduling obligations, and similar nonclinical participation measures established by rule or order.

(ii) "Treatment non-engagement risk" means individualized evidence that a covered person has failed to attend, failed to participate, refused referral steps, refused scheduling, or engaged in conduct that, under a written supervision finding, materially increases the likelihood of noncompliance or sexual reoffending, as distinguished from mere status or diagnosis.

(jj) "Violence-relevant incident indicator" means a standardized, audit-controlled indicator of conduct relevant to sexual reoffending risk or violent or coercive conduct, defined by rule and held constant for purposes of any rollback, sunset, or evaluation under this Act.

(kk) "Validated predictor category" means a category of conduct, pattern, or corroborated circumstance identified by rule or validated assessment protocol as associated with supervision risk and approved for use in a constraint-change petition under section 18.

(ll) "Violation" means a breach of a court order, supervision condition, placement covenant, or statutory duty imposed under this Act.

SECTION 3. APPLICABILITY AND COVERED SUPERVISION POPULATIONS.

(a) Covered supervision.--This Act shall apply to persons under probation, parole, post-release supervision, or comparable criminal supervision for sexual offenses.

(b) Covered decisionmakers.--This Act shall apply to courts and supervising agencies imposing or modifying conditions under covered supervision.

(c) Covered recipients.--This Act shall apply to employers, housing providers, and other covered recipients only to the extent they receive and rely on a Supervision Constraint Status, Evidence Packet, or placement covenant under this Act.

(d) Exclusive procedural coverage.--To the extent that any condition or notice is governed by this Act, the duties, immunities, timing rules, review requirements, and disclosure limits of this Act shall apply.

(e) Noncovered persons and entities.--Nothing in this Act shall be construed to impose duties on persons or entities not expressly covered by this section.

SECTION 4. RELATION TO EXISTING LAW.

(a) Control over conflicting provisions.--This Act shall control over conflicting state administrative or local rule provisions to the extent of the conflict.

(b) Supplemental construction.--This Act shall be construed as supplemental to existing supervision, evidence, and civil-immunity law unless expressly displaced.

(c) No new clinical-duty creation.--No provision of this Act shall be construed to create a private duty of clinical evaluation for employers or housing providers.

(d) Preservation of rights.--Nothing in this Act shall be construed to diminish any right, defense, privilege, or immunity available under the Constitution of this State, the Constitution of the United States, the Americans with Disabilities Act, the Fair Housing Act, Title VII of the Civil Rights Act of 1964, or any other applicable law.

(e) Harmonization.--If a provision of this Act and another state law may reasonably be construed to coexist, the court shall construe them to coexist.

(f) Conflicts in local law.--A conflicting local ordinance, regulation, policy, or administrative practice shall be unenforceable to the extent inconsistent with this Act.

(g) Mandatory conforming action.--The Board and each supervising agency shall identify any existing rule, form, order template, or practice that conflicts with this Act and shall amend, repeal, or supersede that rule, form, order template, or practice within the implementation period established under section 23.

SECTION 5. BASELINE STATUS-PRESERVING REENTRY PACKAGE.

(a) Default package required.--The supervising agency shall impose the least-restrictive default package at the outset of supervision.

(b) Limitation on access-affecting restrictions.--The default package shall not include any access-affecting restriction unless the agency proves the statutory escalation predicate.

(c) Presumption of stability.--The default package shall preserve lawful housing, lawful employment, and treatment access to the maximum extent consistent with supervision.

(d) Within-30-day review.--Within 30 days after the commencement of covered supervision, the agency shall review the person’s status and shall determine whether treatment non-engagement risk exists by clear and convincing evidence.

(e) No status-based penalty.--The default package shall not be modified based solely on conviction status, offense label, or generalized category designation.

(f) Documentation.--The agency shall document the factual basis, evidence relied upon, review date, and decision-maker for any departure from the default package.

(g) Failure of proof.--If the clear and convincing evidence standard required under subsection (d) is not met, the default package shall continue without modification.

(h) Administrative form.--The agency shall use a standardized written form that identifies, for each covered person, the default conditions, any requested change, the evidentiary basis, the least-restrictive alternative considered, and the expiration date.

SECTION 6. TREATMENT-ENGAGEMENT GATE FOR ESCALATION.

(a) Required basis for escalation.--Any access-affecting restriction shall be tied to treatment engagement, treatment non-engagement risk, or another individualized risk-management purpose expressly stated in the order.

(b) Prohibition on collateral penalty.--The supervising agency shall not impose a restriction solely as a collateral penalty for conviction status.

(c) Routine step-ups.--Routine step-ups shall be limited to treatment-access or engagement reinforcements unless the imminent specific harm exception applies.

(d) Individualized showing.--The agency or court requesting an access-affecting restriction shall identify the specific treatment target, the specific conduct or omission supporting the requested restriction, and the manner in which the restriction advances the identified purpose.

(e) Less-restrictive comparison.--The agency or court shall state why each less-restrictive alternative identified in the record would be insufficient to address the identified purpose.

(f) Notice of engagement basis.--The person shall receive notice of the engagement basis before the restriction takes effect, except where section 11 permits immediate issuance.

(g) No disclosure of clinical content.--A showing under this section shall not require disclosure of treatment content to a covered recipient or other person who is not authorized to receive that content by law.

(h) Preservation of monitoring capacity.--The agency shall implement escalation only in a manner that preserves the ability of supervising officers to monitor compliance under existing caseload limits and reporting systems.

SECTION 7. LEAST-RESTRICTIVE TAILORING AND TIME LIMITS.

(a) Least-restrictive alternative.--Any access-affecting restriction shall be the least-restrictive alternative sufficient for the identified purpose.

(b) Direct relation.--Any access-affecting restriction shall be directly related to the individualized supervision need identified in the order.

(c) Fixed expiration date.--Any access-affecting restriction shall include a fixed expiration date and shall not continue by inertia.

(d) Written findings.--The agency or court imposing an access-affecting restriction shall enter written findings identifying:

(1) the purpose of the restriction;

(2) the factual basis for the restriction;

(3) the least-restrictive alternatives considered;

(4) the reasons those alternatives were rejected;

(5) the expiration date;

(6) the review date; and

(7) the downgrade criteria.

(e) Narrow scope.--A restriction shall not exceed the minimum scope necessary to address the identified purpose, and shall be limited to the least number of persons, places, devices, times, or areas required.

(f) Automatic termination.--Expired restrictions shall terminate automatically.

(g) Prohibition on inertia.--A restriction continued without current findings shall be unenforceable after the expiration date.

(h) Substitution rule.--If a less-restrictive option becomes available, the agency shall substitute it without delay and shall document the substitution in the supervision verification portal.

SECTION 8. SUPERVISION CONSTRAINT STATUS AND MINIMAL DISCLOSURE.

(a) Generation required.--The supervising agency shall generate a Supervision Constraint Status for each covered person on the supervision verification portal.

(b) Contents limited.--The Supervision Constraint Status shall disclose only currently effective enumerated non-contact, area, or time constraints, if any, and their start and expiration dates.

(c) Excluded information.--The Supervision Constraint Status shall not disclose treatment history, clinical content, diagnostic details, evaluator notes, therapy notes, provider narratives, or other nonauthorized personal information.

(d) Update duty.--The agency shall update the Supervision Constraint Status whenever a disclosed constraint changes, is extended, or expires.

(e) Format.--The Supervision Constraint Status shall be prepared in a one-page or electronically equivalent format suitable for prompt reliance by a covered recipient.

(f) Accuracy duty.--The agency shall ensure that the Supervision Constraint Status accurately states each disclosed constraint, its scope, its start date, and its expiration date.

(g) Reliance notice.--The agency shall state on the Supervision Constraint Status that the recipient has no duty to infer undisclosed treatment information from the summary.

(h) Portal archive.--The agency shall retain each version of the Supervision Constraint Status in the supervision verification portal together with a time stamp, the issuing official, and the revision history.

SECTION 9. PROVIDER SAFE HARBOR AND NO DE FACTO MONITORING DUTY.

(a) No duty to assess treatment adequacy.--A covered employer or housing provider shall have no duty to assess treatment adequacy, clinical progress, or rehabilitation success.

(b) Good-faith reliance immunity.--A provider acting in good-faith reliance on a valid state-issued Supervision Constraint Status shall be immune from civil negligence claims arising solely from unknown details not included in the summary and from good-faith reliance on the summary.

(c) No monitoring obligation.--A provider shall not be required to monitor treatment content or supervise compliance beyond the disclosed active constraints.

(d) Limited source of notice.--A provider may rely on the current valid summary as the exclusive state-issued notice source for the purposes of this section, unless the provider receives a later-issued current valid summary or a court order.

(e) Preserved liability.--Nothing in this section shall immunize intentional misconduct, fraud, unlawful discrimination prohibited by other law, or actual knowledge of a violation unrelated to omitted treatment details.

(f) Recordkeeping.--A provider who relies on a current valid summary shall preserve the summary, the date of receipt, and any later current valid summary for the period prescribed by rule.

(g) State guidance.--The Board shall issue written guidance on reliance documentation, safe-harbor procedures, and forms within 90 days after the effective date of this Act.

(h) Construction of immunity.--The immunity in subsection (b) shall be construed narrowly to protect good-faith reliance while preserving accountability for conduct not covered by the immunity.

SECTION 10. STABLE NOTICE WINDOW FOR PROVIDER CONSTRAINTS.

(a) Advance notice required.--Any change in enumerated provider-facing constraints shall be published with at least 30 days' effective notice.

(b) Earlier effect only by emergency.--A constraint may take effect sooner only under the imminent specific harm exception in section 11.

(c) No retroactive increase.--The State shall not retroactively increase provider-facing obligations absent the emergency exception.

(d) Notice contents.--A notice under this section shall state:

(1) the changed constraint;

(2) the person affected;

(3) the effective date;

(4) the expiration date;

(5) the basis for the change; and

(6) any appeal or review date.

(e) Notice methods.--The agency shall issue notice through the supervision verification portal and by any additional method prescribed by rule for covered recipients who have elected electronic delivery or other statutory service method.

(f) Reliance during notice window.--A provider shall not incur liability for acting during the notice window in reliance on the current valid summary.

(g) Enforceability.--An unnotified provider-facing constraint change shall not be enforceable against a covered recipient until proper notice is given, except as otherwise provided in section 11.

SECTION 11. IMMINENT SPECIFIC HARM EMERGENCY EXCEPTION.

(a) Narrow emergency predicate.--An emergency restriction may be issued only upon a written finding of imminent specific harm.

(b) Meaning of imminent.--For purposes of this section, imminent shall mean a fixed seven-day time window.

(c) Meaning of specific harm.--For purposes of this section, specific harm shall mean a named, objective target category tied to an expert risk statement.

(d) Expert sign-off required.--An emergency restriction shall require documented expert sign-off by a qualified clinician, risk assessor, or other person designated by rule who has reviewed the record supporting the emergency request.

(e) Written findings.--The issuing authority shall enter written findings identifying:

(1) the specific harm;

(2) the imminent period;

(3) the expert basis;

(4) the minimum restriction necessary;

(5) the expiration date; and

(6) the date and time of the expedited hearing.

(f) Expedited evidentiary hearing.--The court shall hold an evidentiary hearing within 72 hours after issuance of the emergency restriction, excluding weekends and legal holidays only if the court is closed and only to the minimum extent necessary to secure a prompt hearing.

(g) Temporary scope.--An emergency restriction shall be limited to the minimum restriction needed to address the specific harm.

(h) Maximum duration.--An emergency restriction shall expire by its own terms within 14 days unless reissued under the same tightened predicate and after a further written finding based on the record then existing.

(i) Default during appeal or reconsideration.--During any appeal, reconsideration, or pending review, the default shall automatically revert to the treatment-access-only package, while any existing enumerated no-contact constraints independently supported by current findings shall be preserved.

(j) Voidability.--Any emergency order lacking documented expert sign-off or an expedited hearing date shall be voidable on expedited motion.

(k) Separate emergency log.--The agency shall maintain a separate emergency-order log in the supervision verification portal that records issuance, hearing date, disposition, extension, and expiration.

SECTION 12. ENGAGEMENT PARTICIPATION FEED AND CRYPTOGRAPHIC LOGGING.

(a) Receipt required.--The supervising agency shall receive an engagement participation feed containing treatment attendance and appointment-completion data, but not clinical contents.

(b) Excluded contents.--The engagement participation feed shall not include diagnoses, therapeutic notes, session content, evaluative narratives, or any information not necessary for supervision continuity.

(c) Cryptographic logging.--The feed shall be cryptographically logged so that each transmission is time-stamped and integrity-verifiable.

(d) Availability to supervision personnel.--The feed shall be available to authorized supervision personnel for continuity decisions, downgrade decisions, and review preparation.

(e) Transmission duty.--Treatment providers or other designated record originators shall transmit qualifying engagement records within the time period established by rule, which shall not exceed 3 business days after the event recorded unless a shorter period is prescribed for a particular category of record by court order or statute.

(f) Preservation duty.--The agency shall preserve transmission metadata, source identifier, and receipt time for each feed entry.

(g) System security.--The Board shall adopt rules for authentication, encryption, role-based access, and retention of the feed and related audit metadata.

(h) No clinical expansion.--Nothing in this section shall be construed to authorize access to clinical content beyond the express authorization of law.

SECTION 13. DEEMED ADMISSION AND CONTEST PROCEDURE.

(a) Deemed admission.--A treatment-provider engagement record shall be deemed admitted unless contested within 10 days by the state or a court commissioner for procedural irregularity.

(b) Scope of contest.--The contest under subsection (a) shall be limited to procedural irregularity unless a separate statute authorizes broader objection.

(c) Use in proceedings.--A deemed-admitted record shall be usable for the escalation, review, downgrade, and reporting rules of this Act.

(d) Contest process.--If a record is contested, the contesting authority shall:

(1) identify the specific procedural irregularity;

(2) notify the record originator and the covered person; and

(3) schedule a prompt determination on the record or at hearing as the court directs.

(e) Finality.--If no contest is filed within the 10-day period, the record shall be final for purposes of this Act.

(f) No delay for formal admission.--No agency or court shall delay continuity decisions solely because a qualifying engagement record has not been formally admitted if it is deemed admitted under this section.

(g) Record-safe filing.--The record originator shall transmit the engagement record with a submission time stamp and receipt confirmation sufficient to establish the 10-day contest period.

(h) Preservation of other objections.--This section shall not waive any objection expressly preserved by another statute or rule.

SECTION 14. AUTOMATIC DOWNGRADE FOR STATE TRANSMISSION FAILURE.

(a) Automatic downgrade required.--If the state fails to transmit required engagement feed entries on time, any access-affecting restriction shall automatically downgrade the next business day.

(b) No substitute monitoring.--The state shall not substitute a discretionary, less-audited monitoring tool for the missed feed entry.

(c) State cost responsibility.--The state shall bear responsibility for administrative repeat-hearing costs caused by the missed transmission.

(d) Notice of failure.--The system shall flag the missed transmission and shall notify the supervising agency, the covered person, and the court.

(e) Calendar adjustment.--The agency shall calendar any repeat hearing or review necessitated by the failure.

(f) No penalty to covered person.--The covered person shall not be penalized for the state’s transmission failure.

(g) Audit requirement.--Repeated transmission failures shall be recorded in the audit log and shall trigger corrective action review under section 20.

(h) Additional relief.--Nothing in this section shall limit any additional relief available by law for agency noncompliance.

SECTION 15. MANDATORY REVIEW, HEARING RIGHTS, AND DEFAULT DURING DISPUTES.

(a) Review every 3 months.--Any access-affecting condition shall receive judicial review every 3 months.

(b) Notice and hearing.--Before each review, the court shall provide notice to the covered person and an opportunity to be heard.

(c) Default during dispute.--During any dispute over an access-affecting condition, the default shall be the least-restrictive treatment-access-only package.

(d) Preservation of supported no-contact constraints.--During a dispute, any existing enumerated no-contact constraints may be preserved if independently supported by current valid findings.

(e) Written findings.--The court shall issue written findings for any continued access-affecting condition, including reasons for continuation, narrowing, or removal.

(f) Review packet.--The supervising agency shall file a review packet before each scheduled review date, containing:

(1) the current Supervision Constraint Status;

(2) the current engagement participation feed entries;

(3) any contest or rebuttal material;

(4) any proposed modification; and

(5) the agency’s written rationale.

(g) Automatic expiration for overdue review.--An access-affecting condition continued without current review findings after its scheduled review date shall expire by operation of law.

(h) Expedited calendar.--The court shall maintain an expedited calendar for reviews under this section.

SECTION 16. PLACEMENT COVENANT AND CO-EXTENSIVE CONSTRAINT RULE.

(a) Placement covenant basis.--A placement covenant shall be written only on the basis of the current Evidence Packet or current Supervision Constraint Status.

(b) Co-extensive limit.--The covenant shall be co-extensive with the constraint set in the packet or summary and shall not expand beyond it.

(c) No forced acceptance of undisclosed constraints.--A provider may not be required to agree to constraints not listed in the current packet or summary.

(d) Template.--The agency shall issue a template placement covenant with objective, enumerated fields for each disclosed constraint, start date, expiration date, breach category, and state contact point.

(e) Update rule.--Any covenant change shall follow the same update process as the underlying state constraint change.

(f) Nonexpansion during transition.--Pending a covenant update, the covenant shall not expand beyond the current state-issued constraint set.

(g) Record retention.--The agency shall preserve copies of all executed placement covenants in the supervision verification portal.

(h) Construction.--This section shall not be construed to impose any duty on a provider to assess treatment adequacy, clinical progress, or rehabilitation success.

SECTION 17. BREACH TAXONOMY AND REPORTABLE BREACH PROCEDURES.

(a) Objective breach categories.--The statute shall define reportable breaches by objective categories, including:

(1) prohibited physical proximity contrary to a disclosed non-contact constraint;

(2) attempted prohibited entry to a disclosed prohibited area, location, room, or property;

(3) verified third-party complaints matching constraint categories;

(4) confirmed communications inconsistent with approved restrictions; and

(5) other objectively verifiable categories established by rule.

(b) Exclusion of rumor and suspicion.--Rumors and non-objective suspicions shall not constitute reportable breaches.

(c) Good-faith reporting duty.--A covered provider acting in good faith shall report a reportable breach within 24 hours.

(d) Decision tree.--The Board shall prescribe a decision tree to assist providers in determining whether an event falls within subsection (a) or subsection (b).

(e) Record-safe attestation.--If the provider determines that no reportable breach occurred, the provider shall create a record-safe attestation of compliance for that event.

(f) Reporting channel.--A reportable breach shall be submitted through the portal or another prescribed channel that preserves time stamp and receipt confirmation.

(g) Event-based immunity rule.--A provider who follows the decision tree in good faith and reports within the prescribed time shall preserve safe-harbor protection for that event.

(h) Loss of protection.--A provider who suppresses or delays a reportable breach beyond the prescribed time may forfeit safe-harbor protection for that event to the extent provided by law.

SECTION 18. CONSTRAINT CHANGE PETITION AND URGENT SAFETY UPDATES.

(a) Upward modification template required.--Any request to modify constraints upward shall use a State template identifying at least one validated predictor category or qualifying incident basis.

(b) Decision time.--The agency shall decide nonemergency petitions within 72 hours after receipt of a complete petition.

(c) Same-day interim update.--If an objective imminent safety threat is reported under section 17, the agency may issue a same-day interim update subject to next-day documented review.

(d) Pending adjudication.--During adjudication of a petition, the covenant shall not expand beyond the co-extensive constraint set; only enhanced monitoring or support measures may be used pending decision.

(e) Necessity findings.--An upward modification shall be supported by written findings stating why the proposed change is necessary and why each lesser alternative would be insufficient.

(f) Documentation.--The petition shall identify the current constraint set, the proposed change, the evidence basis, the validated predictor category relied upon, and the requested duration.

(g) Rebuttal opportunity.--The covered person shall receive an opportunity to submit rebuttal evidence before final action, except where section 11 authorizes immediate action.

(h) Review of urgent update.--Any same-day interim update shall be documented and reviewed the next business day, and the review shall be recorded in the portal.

SECTION 19. MINIMUM FEASIBILITY STANDARDS FOR HOUSING AND EMPLOYMENT CONTINUITY.

(a) Feasible continuity option required.--When a constraint update or revocation would displace housing or employment, the State shall provide a feasible continuity option under the standards of this section.

(b) Housing continuity options.--For housing, the State shall provide either:

(1) a voucher or rent-guarantee alternative within 30 days; or

(2) a reserved interim transitional unit with constraint-compliance support.

(c) Housing fallback.--If neither paragraph (1) nor paragraph (2) of subsection (b) is provided within 30 days, the prior covenant’s safe-placement status shall extend for 60 days while support is executed.

(d) Employment continuity options.--For employment, the State shall provide either:

(1) reassignment guidance with a wage-subsidy bridge for up to 60 days; or

(2) an interim job-match effort through a state employment liaison.

(e) Feasibility assessment.--Before imposing a restriction that would disrupt residence or work, the agency shall assess feasibility and document the available continuity option.

(f) No paper restriction without capacity.--The Act shall prohibit a restriction that cannot be enforced with available monitoring capacity and continuity support.

(g) Records and notice.--The agency shall document each offered continuity option, the date offered, the date accepted or declined, and any basis for denial.

(h) Extension of protection.--Where a continuity option is not timely available, the agency shall extend the least-disruptive existing placement protection until the option is implemented.

SECTION 20. MONITORING CAPACITY AND ADMINISTRATIVE BANDWIDTH PROTECTION.

(a) Capacity duty.--The supervising agency shall maintain sufficient monitoring bandwidth to meet review, downgrade, hearing, and feed-transmission deadlines.

(b) Audit metrics.--The agency shall track caseload, review timeliness, missed transmissions, hearing timeliness, and restriction churn in a supervisory dashboard.

(c) Staffing or funding adjustment.--When audit metrics show missed deadlines or excessive churn driven by non-violence indicators, the agency shall trigger staffing or funding adjustment procedures.

(d) No workload excuse.--The agency shall not excuse missed statutory duties by asserting avoidable workload pressure.

(e) Corrective action plan.--Upon threshold exceedance, the agency shall submit a corrective action plan to the Board and the oversight authority within 30 days.

(f) Prioritization.--The agency shall prioritize risk-critical cases without abandoning statutory review duties.

(g) Oversight audit.--The oversight authority shall audit compliance with this section at least annually.

(h) Remedial notice.--Chronic failure to meet bandwidth standards shall require notice to the Governor, the Legislature, or other appropriate supervising authority designated by law.

SECTION 21. ANTI-GAMING METRICS, CHANGE MANAGEMENT, AND ROLLBACK CONDITIONS.

(a) Standardized indicators required.--Any rollback or sunset shall require standardized, audit-controlled violence-relevant incident indicators with consistent definitions across time.

(b) Monitoring adequacy floor.--The monitoring adequacy floor shall not be reduced unless the violence-relevant outcome test is met.

(c) Pre-registration.--Measurement changes shall be pre-registered before use in any rollback, sunset, or evaluation decision.

(d) Change-management log.--A change-management log shall be maintained for all proxy or metric revisions, and shall identify the date, reason, responsible official, and effect of each revision.

(e) Detectability safeguard.--Rollback shall not proceed if detectability improvements are the only reason proxies decrease.

(f) Independent evaluator required.--The independent evaluator shall review the data, the change-management log, the pre-registered metric set, and the confidence interval before any rollback or sunset recommendation is finalized.

(g) Safety threshold.--The evaluator shall apply a pre-specified safety threshold based on the evaluator’s confidence interval and shall state whether the threshold has been met.

(h) Voidability.--A rollback enacted without the requirements of this section shall be voidable.

(i) Retention.--The agency shall preserve the full audit file for independent review and legislative oversight.

SECTION 22. INDEPENDENT EVALUATION AND REPORTING.

(a) Retention or designation.--The administering authority shall retain or designate an independent evaluator for periodic review of safety, stability, timeliness, and compliance outcomes.

(b) Required reports.--The evaluator shall report on:

(1) housing stability;

(2) employment stability;

(3) treatment engagement;

(4) feed transmission timeliness;

(5) emergency exception use;

(6) violence-relevant incident outcomes;

(7) hearing timeliness;

(8) missed transmission downgrades; and

(9) any data-integrity concern or measurement change.

(c) Reporting schedule.--Reports shall be issued at least annually and at any additional interval required by rule.

(d) Methodology disclosure.--Each report shall identify the methodology, the data sources used, the limitations of the data, and the confidence threshold applied under section 21.

(e) Privacy protection.--The evaluator shall protect personally identifying information to the maximum extent consistent with audit review and legal reporting duties.

(f) Agency response.--The agency shall respond in writing to any material recommendation within 60 days after receipt of the report.

(g) Supplemental review.--The Legislature, the Board, or the oversight authority may order a supplemental review if performance concerns arise.

(h) Public summary.--The evaluator shall publish a public summary that excludes protected personal information but includes aggregate results and findings sufficient for public oversight.

SECTION 23. ADMINISTRATION, RULEMAKING, FORMS, TRAINING, AND TIMELINES.

(a) Rulemaking authority.--The Board shall adopt rules necessary to implement this Act.

(b) Required rules.--Rules under subsection (a) shall include rules governing:

(1) definitions and standardized forms;

(2) the supervision verification portal;

(3) cryptographic logging and security;

(4) evidence packet generation;

(5) the decision tree for reportable breaches;

(6) transmission timing for engagement participation feeds;

(7) standardized review packets;

(8) emergency order templates;

(9) placement covenant templates;

(10) audit metrics and dashboards; and

(11) the change-management log.

(c) Implementation period.--Within 30 days after the effective date of this Act, the Board shall publish interim implementation guidance.

(d) Portal readiness.--Within 90 days after the effective date of this Act, the supervision verification portal, Supervision Constraint Status templates, and engagement participation feed infrastructure shall be operational.

(e) Training.--Within 120 days after the effective date of this Act, the agency shall complete training for courts, supervision officers, records personnel, treatment providers participating in the feed, and covered recipients who elect to receive state guidance.

(f) Initial review of covered persons.--Within 120 days after the effective date of this Act, each covered person shall receive an initial default package review and a current summary or packet in the system.

(g) Forms and templates.--The Board shall publish standardized forms for all petitions, summaries, covenants, review packets, contests, and emergency orders required by this Act.

(h) Technical assistance.--The Department shall provide technical assistance to counties, courts, and participating entities to ensure implementation consistency.

SECTION 24. ENFORCEMENT, AUDIT, REMEDIES, AND ACCOUNTABILITY.

(a) Agency compliance.--The supervising agency shall comply with all deadlines, notice requirements, review duties, disclosure limits, and logging obligations established by this Act.

(b) Audit authority.--The oversight authority may audit any agency file, portal record, feed transmission, emergency order log, review packet, or covenant administered under this Act.

(c) Corrective action.--If an audit identifies noncompliance, the oversight authority may require corrective action, retraining, revised forms, or system remediation.

(d) Administrative remedies.--A covered person may seek administrative review or court review of any act, omission, or condition subject to this Act.

(e) Voidability and invalidation.--A condition imposed in violation of this Act shall be voidable to the extent of the violation.

(f) Record preservation.--The agency, court, and any designated operator shall preserve records sufficient to establish compliance with this Act for the retention period established by rule.

(g) Civil action preserved.--Nothing in this Act shall be construed to bar a civil action or defense available under other law, except to the extent of the safe harbor in section 9.

(h) Attorney general coordination.--The Attorney General or other designated legal officer may represent the State in actions to enforce this Act, to defend the State, or to seek compliance against an agency or operator as authorized by law.

SECTION 25. FUNDING AND APPROPRIATIONS.

(a) Authorization.--The sum necessary to implement this Act is hereby authorized to be appropriated from the General Fund and any other lawful source.

(b) Permissible uses.--Funds appropriated under subsection (a) may be used for:

(1) development and maintenance of the supervision verification portal;

(2) cryptographic logging systems;

(3) staff training;

(4) independent evaluation;

(5) hearing administration;

(6) notice systems;

(7) state-issued forms and templates;

(8) housing continuity options;

(9) employment continuity options;

(10) technical assistance; and

(11) audit and compliance enforcement.

(c) Reallocation.--If an appropriation is insufficient for a mandated function, the administering authority shall reallocate existing administrative resources to the extent lawful and shall notify the Governor and Legislature of the shortfall.

(d) Cost tracking.--The agency shall track implementation costs, repeat-hearing costs, and corrective-action costs separately in the annual report.

SECTION 26. TRANSITION.

(a) Existing conditions.--Any access-affecting restriction in effect on the effective date of this Act shall remain in force only if reviewed and re-issued under this Act within 120 days after the effective date.

(b) Initial summary generation.--Within the transition period, the agency shall generate a Supervision Constraint Status and, where required, an Evidence Packet for each covered person.

(c) Existing covenants.--Any existing placement covenant, housing agreement, employment agreement, or related state-issued notice shall be conformed to this Act within the transition period.

(d) Existing emergency orders.--An existing emergency order shall be reviewed under section 11 within 72 hours after the effective date of this Act if it remains in force, or as soon thereafter as practicable if the order predates the effective date and the court is not immediately available.

(e) Continuity of monitoring.--The agency shall preserve monitoring continuity during transition and shall not discontinue required oversight merely because a new form, packet, or portal version has not yet been fully populated.

(f) Transitional default.--During transition, the default package shall be the least-restrictive treatment-access-only package unless and until a valid restriction is re-issued under this Act.

SECTION 27. SEVERABILITY.

If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to that end the provisions of this Act are severable.

SECTION 28. EFFECTIVE DATE.

This Act shall take effect on the first day of the third month following enactment, except that sections 23 and 25 may be implemented immediately for purposes of rulemaking, procurement, staffing, and appropriation administration.

SECTION 29. CONSTRUCTION OF REMEDIAL PURPOSE.

This Act shall be construed to maximize compliance, preserve housing and employment stability, limit unnecessary disclosure, maintain law-enforcement monitoring capacity, and prevent the persistence of access-affecting restrictions beyond the periods and purposes authorized by this Act.

SECTION 30. REPEALER.

(a) Repeal of inconsistent provisions.--All laws, rules, regulations, orders, policies, and directives inconsistent with this Act are repealed or superseded to the extent of the inconsistency.

(b) Narrow construction of repeal.--This section shall be construed narrowly so that provisions not inconsistent with this Act remain in force.

SECTION 31. ADMINISTRATIVE RECORDS AND DATA QUALITY.

(a) Data quality duty.--The agency shall maintain accurate, current, and complete records necessary to implement this Act.

(b) Error correction.--Upon discovery of a material error in a summary, packet, feed, or log, the agency shall correct the error promptly and shall notify all persons who received the erroneous record if the error could affect a current condition or reliance decision.

(c) Source attribution.--Each record in the portal shall identify the record source, the date of entry, the issuer, and the applicable statutory category.

(d) Retention.--The Board shall establish retention periods for records and logs that preserve the evidentiary and audit functions of this Act.

(e) Duplicate records.--When duplicate records conflict, the most recent valid record shall control unless a court orders otherwise.

SECTION 32. INFORMATION SECURITY AND ACCESS CONTROL.

(a) Security standards.--The agency shall maintain reasonable administrative, technical, and physical safeguards for the portal, feed, and audit log.

(b) Access limitation.--Access to protected information under this Act shall be limited to persons with a lawful need to know.

(c) Authentication.--The agency shall use authentication, encryption, role-based access, and audit-trail protections appropriate to the sensitivity of the information maintained.

(d) Breach response.--The agency shall adopt a written incident response protocol for unauthorized access, disclosure, or corruption of records.

(e) Disclosure minimization.--The agency shall disclose only the minimum data necessary to accomplish the statutory purpose of the disclosure.

SECTION 33. INTERAGENCY COORDINATION.

(a) Coordination duty.--The Department, courts, treatment providers participating in the feed, and covered recipients relying on the portal shall coordinate to ensure continuity, notice, and compliance.

(b) Memoranda of understanding.--The Board may execute memoranda of understanding with other agencies for implementation, data transfer, evaluation, and technical assistance.

(c) Dispute resolution.--The Board shall establish a process for resolving interagency disputes concerning forms, timelines, record ownership, and transmission responsibilities.

SECTION 34. REPORT TO THE LEGISLATURE.

(a) Annual report required.--The administering authority shall submit an annual report to the Legislature and the Governor concerning implementation and outcomes under this Act.

(b) Contents.--The report shall include:

(1) the number of covered persons subject to the Act;

(2) the number and type of access-affecting restrictions imposed, modified, downgraded, or terminated;

(3) housing and employment continuity outcomes;

(4) safe-harbor use and claims data to the extent lawfully reportable;

(5) emergency orders issued and expired;

(6) feed transmission timeliness;

(7) deemed admissions and contests;

(8) audit findings and corrective actions; and

(9) any recommendation for statutory amendment.

(c) Public availability.--The report shall be made available to the public in redacted form to the extent necessary to protect confidential information.

SECTION 35. RULE OF CONSTRUCTION FOR LEAST-RESTRICTIVE DEFAULT.

If this Act permits two or more interpretations, procedures, or remedies, the interpretation, procedure, or remedy that preserves lawful housing, lawful employment, and treatment access while still maintaining enforceable supervision shall govern.

SECTION 36. NO IMPLIED PRIVATE DUTY FOR THIRD PARTIES.

No employer, housing provider, workforce intermediary, or other covered recipient shall be deemed a supervising authority, treatment provider, or custodian by virtue of receiving or relying upon a current valid summary or placement covenant under this Act.

SECTION 37. NO PRIVATE DUTY TO DISCLOSE UNAUTHORIZED INFORMATION.

No covered recipient shall be required to disclose to another private person any treatment history, clinical content, diagnostic detail, or nonauthorized information received or not received under this Act, except to the extent separately required by law.

SECTION 38. LIMITATION ON USE OF SUMMARY.

A Supervision Constraint Status or Evidence Packet shall be used only for the purposes authorized by this Act, and shall not be used to create broader duties, broader exclusions, or broader penalties than those expressly authorized by this Act.

SECTION 39. CONFORMING AMENDMENTS.

The Board, the Department, and the judiciary shall identify any statutory form, rule reference, or administrative practice inconsistent with the duties, definitions, and procedures established by this Act and shall submit conforming amendments for adoption under applicable law.

SECTION 40. EFFECT ON PENDING MATTERS.

(a) Pending proceedings.--This Act shall apply to any pending proceeding concerning supervision conditions to the extent the court determines that application is lawful and practicable.

(b) Existing review dates.--Any existing review date that occurs after the effective date shall be governed by this Act.

(c) Existing appeals.--Any appeal or reconsideration pending on the effective date shall be conducted under this Act to the extent not inconsistent with the order on appeal and applicable law.

SECTION 41. SUNSET REVIEW.

(a) Three-year review.--Three years after the full implementation date established by the Board, the independent evaluator shall conduct a comprehensive review of the Act’s operation.

(b) Criteria.--The review shall assess:

(1) violence-relevant incident outcomes;

(2) housing and employment stability;

(3) treatment engagement;

(4) supervision compliance;

(5) provider participation and safe-harbor use;

(6) feed timeliness and record integrity; and

(7) whether the monitoring adequacy floor has been maintained.

(c) Recommendation.--The independent evaluator shall recommend whether the Act should continue, be amended, or be repealed.

(d) Legislative action.--The Legislature shall consider the recommendation and may continue, amend, or repeal the Act by subsequent legislation.

SECTION 42. ENFORCEMENT BY COURT.

(a) Court authority.--The court may enforce this Act by order, contempt, modification, injunction, or other lawful remedy.

(b) Expedited motions.--The court shall establish procedures for expedited motions concerning emergency orders, missed transmissions, disputed summaries, contested admissions, and overdue reviews.

(c) Costs.--The court may allocate costs as authorized by law, including repeat-hearing costs attributed to state transmission failure under section 14.

SECTION 43. TECHNICAL AND CLERICAL CORRECTIONS.

The Board may make technical and clerical corrections to forms, titles, cross-references, and portal labels necessary to carry out this Act, provided that no technical or clerical correction shall alter the substantive rights, duties, immunities, timing rules, or enforcement mechanisms established by this Act.

SECTION 44. RULES OF EVIDENCE AND ADMINISTRATIVE PROOF.

(a) Admissibility.--A Supervision Constraint Status, Evidence Packet, engagement participation feed, audit log entry, or change-management log entry created in compliance with this Act shall be admissible in any proceeding under this Act, subject to any privilege or exclusion otherwise applicable by law.

(b) Authentication.--A portal-generated record shall be self-authenticating if accompanied by the certification method prescribed by rule.

(c) Burden of proof.--Except where this Act specifies a different standard, the party seeking to impose or continue an access-affecting restriction shall bear the burden of proof.

(d) Standard of proof.--Where this Act requires clear and convincing evidence, the court shall apply that standard expressly and shall state on the record whether it has been met.

SECTION 45. NO WAIVER BY SILENCE.

A covered person’s failure to object immediately to a summary, packet, covenant, or restriction shall not constitute waiver of a right preserved by this Act unless a waiver is expressly authorized by law and knowingly executed.

SECTION 46. CONTINUING DUTIES OF THE STATE.

(a) Maintenance duty.--The State shall maintain the portal, logs, summaries, feeds, and forms necessary to implement this Act.

(b) Correction duty.--The State shall correct inaccurate records, expired entries, and erroneous disclosures.

(c) Review scheduling duty.--The State shall schedule and track all mandatory reviews, hearings, and expiration dates.

(d) Notification duty.--The State shall notify affected persons and covered recipients of changes that affect current obligations or reliance rights.

SECTION 47. LIMITATION ON DELEGATION.

Any delegation of authority under this Act shall be accompanied by written standards sufficient to guide the delegate’s exercise of authority, and the delegate shall remain subject to the timing, evidence, notice, and review requirements of this Act.

SECTION 48. MISCELLANEOUS IMPLEMENTATION AUTHORITY.

The Board and the Department may take any action not inconsistent with this Act that is reasonably necessary to implement the portal, the summaries, the engagement participation feed, the audit log, the training program, the review calendar, and the reporting system established by this Act.

SECTION 49. EFFECT ON FORMS OF RELIEF.

Nothing in this Act shall be construed to limit a court’s authority to grant injunctive relief, declaratory relief, mandamus, or any other remedy otherwise available by law to enforce the duties and rights established by this Act.

SECTION 50. ENACTMENT.

The enacting clause of this Act is intended to be integrated with each section and subsection above as a complete and operative statutory enactment, and all provisions shall be given full force according to their terms.

Analytical Comparison

The generated bill relies on individualized supervision, treatment, housing and employment stability, engagement feeds, and review. It diverges from broad geographic exclusion zones and better preserves monitoring capacity.

19. Case Analysis

India 2016 demonetization

Case type: historically weak or adverse practice.

Historical Legal Regime

India's 2016 demonetization suddenly removed legal-tender status from large banknotes that represented most cash in circulation, with a limited exchange and deposit window. The regime was presented as a measure against black money, counterfeit currency, and corruption, but it operated across households, informal workers, small firms, and cash-dependent commerce as an economy-wide liquidity shock.

Normative Request

Design a law to reduce illicit cash holdings, improve tax compliance, and encourage digital payments without imposing severe liquidity shocks on households, small firms, and informal workers.

Empirical Evidence

Most invalidated currency returned to the banking system, while studies documented short-run disruption to output, employment, and informal activity; durable tax-compliance effects remain contested.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Sudden invalidation of most cash in circulation as the main compliance tool without adequate transition capacity. Preferred architecture: Targeted tax enforcement, financial intelligence, gradual digital-payment incentives, banking access expansion, transition protections for small firms and households, and monitoring of compliance and economic disruption.

Generated Bill

A BILL

To establish an Anonymous Cash Deflection regime for certain in-person retail transactions funded with cash above a statutory daily per-customer cap; to require standardized point-of-sale settlement workflows; to provide commerce-preservation fallback mechanisms, same-business-day liquidity access, evidentiary logging, safe harbors, limited penalties, administrative review, renewal review, and related purposes.

Be it enacted by the Legislature of the State of ________:

SECTION 1. SHORT TITLE AND PURPOSE.

(a) Short title.--This Act may be cited as the “Anonymous Cash Deflection and Commerce Preservation Act”.

(b) Purpose.--The purpose of this Act is to reduce illicit cash holdings, improve tax compliance, and encourage digital payments without imposing severe liquidity shocks on households, small firms, or informal workers.

(c) Construction.--This Act shall be construed and administered to favor standardized, objective, and auditable payment workflow events over subjective merchant judgment.

(d) Rule of interpretation.--Nothing in this Act shall be construed to authorize a merchant or payment-service provider to interrogate a customer regarding the source of funds or to apply ad hoc suspicion judgments as a condition of a qualifying transaction.

(e) Liberal administration.--This Act shall be administered to preserve commerce at the point of sale, to minimize confrontation between customers and retail workers, and to avoid unnecessary interruption of ordinary retail trade.

(f) Plain-language implementation.--The administering authority shall issue plain-language guidance, model notices, and training materials that explain the workflow established by this Act in a manner suitable for cashiers, merchants, processors, and customers.

(g) No implied refusal duty.--Nothing in this Act shall be interpreted to impose a duty on a merchant to refuse a transaction absent an express statutory condition for refusal.

SECTION 2. DEFINITIONS.

As used in this Act, unless the context otherwise requires:

(a) “Administering authority” means the Department of Revenue, the Department of Consumer and Payment Services, the State Treasurer, or another agency or combination of agencies designated by law or executive order to implement, regulate, certify, audit, and enforce this Act, including through rulemaking, licensing, or contract administration.

(b) “Appeal tribunal” means the administrative hearing office or equivalent impartial tribunal authorized to hear appeals under this Act.

(c) “Batch reconciliation” means the signed, machine-readable, post-connectivity submission of offline token issuance, completion, correction, cancellation, or duplicate-detection records in the format prescribed by rule.

(d) “Card” means any payment instrument or network access method that permits electronic authorization and settlement by debit card, credit card, prepaid card, or equivalent networked payment rail.

(e) “Cash” means physical currency or coin of legal tender in the State or any equivalent lawful currency accepted in ordinary retail commerce.

(f) “Cash-deflection prompt” means the objective terminal or software event by which the standardized government point-of-sale interface informs a customer that cash tender in excess of the daily per-customer cash cap triggers non-cash settlement options, a state-cash-in token workflow, or another authorized completion path under this Act.

(g) “Cash-funded portion” means the portion of a covered transaction tendered in cash, including the portion up to the statutory daily per-customer cash cap that is otherwise permitted to remain in cash under the commerce-preservation fallback.

(h) “Cash-in channel” means the state-linked or state-licensed payment, wallet, transfer, or settlement system authorized to receive cash, issue a receipt token, and provide same-business-day liquidity to the customer under this Act.

(i) “Certified” means approved under standards adopted by the administering authority for use in the standardized government point-of-sale interface, state-cash-in token workflow, offline token mechanics, reconciliation tools, or liquidity channel operations.

(j) “Chargeback” means a reversal, dispute, refund claim, or network-side debit adjustment arising from a payment rail, acquirer, issuer, wallet, or processor and associated with a transaction subject to this Act.

(k) “Covered merchant” means any person, business entity, retail establishment, service provider, or payment-accepting entity engaged in in-person retail transactions and subject to the merchant obligations of this Act by rule or statute.

(l) “Covered transaction” means an in-person retail transaction in which cash is tendered and the amount tendered exceeds the daily per-customer cash cap, or in which a related series of subtransactions is undertaken for the purpose of avoiding the cap.

(m) “Daily per-customer cash cap” means the amount of cash that may be tendered by a customer in one calendar day in a covered transaction before the deflection workflow required by this Act is triggered.

(n) “Deflection workflow” means the standardized, auditable sequence of terminal and settlement events required by this Act, including issuance of a cash-deflection prompt, presentation of non-cash settlement options, issuance or offer of a state-cash-in token, and completion or logged non-completion of the transaction.

(o) “Digital payment” means a card payment, QR payment, instant transfer, wallet transfer, or other electronic settlement method approved by rule.

(p) “Employee” means any cashier, sales associate, manager, processor operator, or other person acting on behalf of a covered merchant in connection with a covered transaction.

(q) “Intentional concealment” means deliberate bypass of the standardized workflow, falsification of records, suppression of issued tokens, deliberate double-issuance, repeat intentional skipping across audits, or any purposeful act or omission designed to evade recordkeeping, cap compliance, or the objective event sequence required by this Act.

(r) “Instant transfer” means an electronic transfer made available to the customer on a same-business-day basis or within the same operational window specified by the State Treasurer under this Act.

(s) “Interface window” means the operationally bounded period during which the standardized government point-of-sale interface displays non-cash settlement options and logs outcomes.

(t) “In-person retail transaction” means a face-to-face retail purchase or retail service transaction conducted at a physical location or by equivalent point-of-sale presence and not conducted solely through a remote or mail-order channel.

(u) “Local outage” means a failure of network connectivity, terminal functionality, authorization connectivity, or other system component that prevents completion of the non-cash leg but is not attributable to customer refusal to proceed.

(v) “Merchant identifier” means the unique code assigned to a merchant, terminal, store location, processor node, or equivalent unit for purposes of token generation, issuance, and reconciliation.

(w) “Offline token” means a state-cash-in token, receipt token, or related transaction token generated without live connectivity and later validated through batch reconciliation.

(x) “Payment-service provider” means any processor, acquirer, gateway, wallet provider, transfer facilitator, certification vendor, reconciliation vendor, network integrator, or other person that provides, maintains, certifies, transmits, stores, or reconciles any component of the standardized government point-of-sale interface, the state-cash-in token workflow, the cash-in channel, or the offline token mechanics.

(y) “Published formula” means a formula, indexation method, rounding rule, adjustment date, and effective date published by rule or statute in a manner that allows a reasonable merchant or customer to determine the current cap.

(z) “Reason-coded non-completion” means a logged non-completion event attributable to network failure, terminal failure, authorization decline, connectivity failure, payment-rail outage, processor outage, or another objective cause published by the administering authority and not dependent upon subjective judgment.

(aa) “Receipt token” means a unique transactional receipt record, whether digital or printable, that links the state-cash-in token or cash-in channel completion to the qualifying transaction for later tax-file matching, audit linkage, dispute resolution, or customer retrieval.

(bb) “Retail establishment” means a store, market, kiosk, service counter, or other place where goods or services are sold in person.

(cc) “Same-business-day settlement” means settlement or available-value delivery to the customer on the same business day on which the qualifying cash-in event is accepted, or by the operational cutoff time prescribed by rule for that day.

(dd) “State-cash-in token” means a redeemable token issued under this Act that completes the state cash-in transfer path for a covered transaction, preserves the cash-funded portion up to the cap, and produces a receipt token for later tax linkage.

(ee) “Standardized government point-of-sale interface” means the certified point-of-sale screen, software module, terminal function, or comparable workflow prescribed by the administering authority to generate the cash-deflection prompt, present non-cash settlement options, log objective event sequence data, and offer state-cash-in token issuance.

(ff) “Stored-value wallet” means a regulated balance account, prepaid account, digital wallet, or other capped value repository authorized by the State Treasurer or administering authority for same-business-day settlement under this Act.

(gg) “Transaction nonce” means a unique, randomly or systematically generated value assigned to a transaction for purposes of preventing replay, duplicate issuance, or unauthorized redemption.

(hh) “Unauthorized duplicate issuance” means a second or subsequent issuance of a token or receipt token for the same transaction, absent cancellation, correction, or replacement authorized by rule.

(ii) “Validated completion” means the accepted settlement, accepted token redemption, or reason-coded non-completion recorded through the standardized workflow.

SECTION 3. APPLICABILITY AND SCOPE.

(a) Covered persons.--This Act shall apply to covered merchants and payment-service providers engaged in in-person retail transactions funded with cash above the daily per-customer cash cap.

(b) Required use.--Covered merchants shall use the standardized government point-of-sale interface for qualifying transactions.

(c) Payment-service provider coverage.--Each payment-service provider that provides, maintains, certifies, transmits, stores, secures, reconciles, or supports the standardized government point-of-sale interface, the state-cash-in token, the receipt token, the cash-in channel, or the offline token mechanics required by this Act shall comply with this Act and with rules adopted under this Act.

(d) Split-transaction avoidance prohibited.--No person subject to this Act may circumvent this Act by splitting a qualifying transaction into related subtransactions for the purpose of avoiding the daily per-customer cash cap or any workflow required by this Act.

(e) Related subtransactions.--The administering authority shall by rule establish objective indicators of related subtransactions, including temporal proximity, common counterparty, common goods or services, common tender source, repeated sequence at the same point of sale, or other objective indicia of avoidance.

(f) Merchant classes.--The administering authority shall by rule identify merchant classes, retail settings, service categories, processor classes, and payment functions subject to this Act, consistent with the purposes of this Act.

(g) Exclusions.--The administering authority may by rule exclude from coverage classes of transactions that are not in-person retail transactions, including payroll disbursements, transfers between financial accounts, or nonretail transactions, if the exclusion does not materially undermine the purposes of this Act.

(h) De minimis and hardship adjustments.--The administering authority may establish limited de minimis or hardship exemptions only to the extent necessary to preserve commerce, minimize unnecessary disruption, or accommodate low-connectivity or emergency circumstances, and only if the exemption is objective, time-limited, and consistent with the purposes of this Act.

(i) Burden of proof.--In any enforcement or administrative proceeding under this Act, the State shall bear the burden of establishing coverage by a preponderance of the evidence.

(j) No double regulation.--A person shall not be subject to duplicative penalties under this Act for the same operative conduct unless separate acts, omissions, or transactions are proven.

SECTION 4. DAILY PER-CUSTOMER CASH CAP.

(a) Cap trigger.--A person shall not tender cash above the daily per-customer cash cap in a covered transaction without triggering the deflection workflow required by this Act.

(b) Amount of cap.--The daily per-customer cash cap shall be the amount specified in statute or, if delegated by statute, the amount established by rule under a published formula.

(c) Published formula.--Any published formula used to establish or adjust the cap shall specify the base amount, index, adjustment date, rounding rule, notice period, and effective date.

(d) Indexation.--The daily per-customer cash cap may be indexed periodically only by a published method that preserves predictability and provides advance notice.

(e) Advance publication.--Before any adjustment to the daily per-customer cash cap takes effect, the administering authority shall publish the adjusted amount and the underlying calculation not later than 30 days before the effective date of the adjustment, unless a shorter period is expressly authorized by law for emergency implementation and accompanied by written findings.

(f) No retroactivity.--An adjustment to the daily per-customer cash cap shall not apply retroactively to a tender or transaction initiated before the effective date of the adjustment.

(g) Trigger timing.--The tender of cash in excess of the daily per-customer cash cap shall trigger the standardized cash-deflection prompt and associated objective logging events.

(h) Split avoidance monitoring.--The administering authority shall monitor patterns indicating related subtransactions undertaken to avoid the cap and shall issue guidance defining objective indicators of relatedness and avoidance.

(i) Temporary emergency adjustment.--If necessary to address system instability, inflation volatility, or consumer access concerns, the administering authority may recommend a temporary cap adjustment, provided that the adjustment is published, reasoned, time-limited, and subject to review.

(j) Public registry.--The current daily per-customer cash cap, any temporary adjustment, the published formula, and the effective dates shall be maintained in a public registry accessible to merchants and customers.

SECTION 5. MANDATORY USE OF STANDARDIZED GOVERNMENT POINT-OF-SALE INTERFACE.

(a) Mandatory routing.--A covered merchant shall route every qualifying cash transaction through the standardized government point-of-sale interface.

(b) Required options.--The standardized government point-of-sale interface shall offer non-cash settlement options including card, QR, or instant transfer.

(c) No ad hoc workflow.--A merchant shall not bypass the standardized government point-of-sale interface by using an ad hoc settlement workflow, manual conversion arrangement, merchant-created refusal screen, or other noncertified method.

(d) Certification.--The administering authority shall certify compliant terminals, software modules, communication protocols, interface specifications, and update procedures.

(e) Interface availability.--Each covered merchant shall maintain the capacity to display or otherwise provide the standardized government point-of-sale interface for qualifying cash transactions during ordinary business hours and during any extended hours for which the merchant accepts payment.

(f) Prompt standard.--The standardized government point-of-sale interface shall present a cash-deflection prompt in a form prescribed by rule and shall record issuance of that prompt as an objective event.

(g) Neutral operation.--The standardized government point-of-sale interface shall be operated in a neutral and non-escalatory manner and shall not display accusatory, humiliating, or discretionary suspicion language.

(h) Retail-worker protection.--A covered merchant shall ensure that cashier-facing instructions do not require the employee to interrogate the customer regarding the source of funds, the purpose of the cash, or the customer’s financial status.

(i) No suspicion judgment.--A merchant shall not make customer suspicion judgments for purposes of this Act.

(j) Certification obligation.--A covered merchant shall maintain current certification for any hardware or software used to comply with this section and shall not use uncertified hardware or software for the qualified workflow unless expressly authorized by rule for temporary contingency use.

(k) Contingency use.--Temporary contingency use of uncertified hardware or software, if authorized, shall preserve the objective event sequence and shall be replaced by certified tools as soon as practicable.

(l) Customer notice.--The administering authority shall prescribe a brief customer-facing notice describing the standardized workflow and the availability of non-cash options and state-cash-in token issuance.

SECTION 6. OBJECTIVE FLOW-COMPLETION EVENTS AND COMPLIANCE STANDARD.

(a) Compliance standard.--Compliance shall be established when the terminal records a cash-deflection prompt issued and either accepted settlement or reason-coded non-completion.

(b) Required event sequence.--The merchant shall record only the objective workflow events required by this Act, including:

(1) cash tender amount;

(2) whether the tender exceeds the daily per-customer cash cap;

(3) issuance of the cash-deflection prompt;

(4) acceptance or rejection of the offered non-cash settlement option;

(5) reason-coded non-completion, if any;

(6) issuance or refusal of the state-cash-in token, if required;

(7) token completion status; and

(8) batch reconciliation status, if applicable.

(c) No arbitrary short window.--A merchant shall not be deemed noncompliant solely because a customer does not complete settlement within an arbitrary short window if the required event sequence was properly generated.

(d) Reason codes.--The administering authority shall publish objective reason codes for non-completion attributable to network, terminal, authorization, processor, or equivalent non-merchant causes.

(e) Customer choice or inability.--If the non-cash leg does not reach accepted settlement or reason-coded non-completion due to customer choice or customer inability not attributable to the merchant interface, the merchant shall proceed under section 7.

(f) Evidence standard.--For purposes of this Act, machine-generated event logs and published reason codes shall constitute primary evidence of compliance or noncompliance.

(g) Prohibition on subjective substitutes.--The State shall not use subjective checkout narratives, unstructured staff recollections, customer demeanor, or suspicion-based inference as routine substitutes for the objective event sequence required by this section.

(h) Publication of code set.--The administering authority shall publish the reason-code set, data schema, event definitions, and record-retention requirements not later than 90 days after enactment.

(i) Event integrity.--The administering authority shall require time stamps, device identifiers, transaction identifiers, and tamper-evident logging sufficient to verify the event sequence.

(j) Correction of erroneous codes.--The administering authority shall establish correction procedures for misclassified reason codes, including network outages, terminal faults, or duplicated entries.

SECTION 7. COMMERCE-PRESERVATION FALLBACK AND REFUSAL LIMITATIONS.

(a) No refusal of capped cash portion solely for noncompletion.--A covered merchant shall not refuse the cash-funded portion up to the statutory cap solely because the non-cash leg did not complete within the interface window.

(b) State cash-in token.--When required under this Act, the merchant shall issue and accept a redeemable state-cash-in token.

(c) Receipt token.--The state-cash-in token shall provide a receipt token for later tax linkage.

(d) Refusal exception.--Refusal of cash is permitted only as an exceptional tool after:

(1) two consecutive attempts in which the non-cash rail is offered and either accepted settlement or reason-coded non-completion is logged; and

(2) the customer still declines to accept issuance of the state-cash-in token.

(e) Token issuance duty.--If the conditions of subsection (d) are not satisfied, the merchant shall not refuse the capped cash portion and shall issue the state-cash-in token in the manner prescribed by rule.

(f) Interface window.--The administering authority shall specify by rule the interface window for purposes of prompt presentation and event logging, provided that the window shall be operationally bounded and shall not be used as a basis for an arbitrary refusal rule.

(g) Token completion.--If an offline token is used, token completion shall be required within X hours through later batch reconciliation by the merchant under state-provided rules.

(h) No retaliatory conduct.--A merchant shall not condition acceptance of the capped cash portion on the customer's agreement to extra charges, additional products, or nonstatutory identification requirements.

(i) Transaction continuity.--Nothing in this section shall be construed to permit denial of service when the commerce-preservation fallback is available and the customer is willing to use it.

(j) Optional customer choice after offered workflow.--A customer may decline the non-cash options and remain entitled to the statutory cash-funded portion up to the cap unless the refusal conditions of subsection (d) are met.

(k) No punitive removal of ordinary cash tender.--A merchant shall not ban, surcharge, or otherwise penalize ordinary cash tender within the statutory cap solely because a customer previously used the state-cash-in token workflow.

SECTION 8. STATE CASH-IN TOKEN AND RECEIPT LINKAGE.

(a) Redeemability.--The state cash-in token shall be redeemable through a state-linked cash-in channel.

(b) Receipt token.--The state cash-in token shall generate a receipt token usable for later tax-file matching.

(c) Linkage rules.--The State shall maintain linkage rules sufficient to trace the state cash-in token to the qualifying transaction without requiring merchant interrogation of the customer.

(d) Minimum necessary data.--The receipt token and linkage rules shall use only the minimum data necessary to effectuate redemption, reconciliation, and lawful tax-file matching.

(e) Token uniqueness.--Each state cash-in token shall contain a unique transaction identifier and shall not be reissued except upon documented cancellation, correction, or replacement under rules promulgated by the administering authority.

(f) Duplicate prevention.--The administering authority shall maintain controls reasonably designed to prevent unauthorized duplicate token generation, replay, or redemption.

(g) Customer access.--The customer shall have a right to retrieve, view, and redeem the receipt token through a method established by rule that does not require the customer to disclose source-of-funds narratives to the merchant.

(h) Recordkeeping.--The State shall maintain an auditable token ledger identifying issuance, redemption, cancellation, correction, expiration, replacement status, and any dispute status.

(i) Tax-file matching.--The administering authority shall establish procedures by which receipt tokens may be matched to later tax filings or other authorized records without requiring direct merchant interrogation.

(j) Replacement tokens.--If a token is lost, corrupted, or subject to technical failure, the administering authority shall provide a documented replacement procedure that preserves the original audit trail.

SECTION 9. ONLINE SETTLEMENT AND SAME-BUSINESS-DAY LIQUIDITY CHANNEL.

(a) Channel requirement.--The licensed cash-in channel shall provide same-business-day settlement to the customer through a capped stored-value wallet or instant transfer.

(b) Redeemable receipt token.--The channel shall issue a redeemable receipt token for later tax matching.

(c) Service standard.--The channel shall not impose a delay beyond the same-business-day standard except for published technical failure reasons.

(d) Cutoff times.--The State Treasurer or equivalent authority shall establish by rule service hours, cutoff times, emergency contingencies, and fallback paths for same-business-day settlement.

(e) Bridge of failure.--If the primary payout route fails after the cash-in transaction has been accepted, the channel operator shall route the transaction to an alternate available settlement path without requiring a second customer application.

(f) Capped value.--Any stored-value wallet or instant transfer under this section shall be capped in the amount and manner prescribed by rule to preserve transaction security and prevent misuse.

(g) Nonchargeable delay.--A customer shall not bear the risk of processor failure after the customer has completed the required action under this Act.

(h) Provider reporting.--The licensed cash-in channel provider shall report settlement timeliness, failure rates, and exception categories to the administering authority on a monthly basis.

(i) Administrative remedy.--The administering authority may order corrective action, service credits, or temporary suspension of new enrollments for repeated failure to meet the service standard.

(j) Customer confirmation.--Upon same-business-day settlement, the channel shall provide a confirmation record or receipt token that may be retained by the customer or linked to the original transaction.

(k) Alternate routing.--Rules shall require at least one alternate settlement path for outages affecting the primary channel, to the extent commercially and technologically feasible.

SECTION 10. OFFLINE TOKEN MECHANICS.

(a) Offline token.--An offline token shall encode a merchant identifier and transaction nonce.

(b) Signature.--An offline token shall be signed by a locally cached key.

(c) Key management.--The administering authority shall prescribe key caching, rotation, revocation, and revalidation standards for locally cached keys.

(d) Offline creation.--A merchant may generate an offline token only through a certified device or software module that complies with the standards issued under this Act.

(e) Later reconciliation.--A merchant shall upload signed batch reconciliations when connectivity returns.

(f) Completion window.--The administering authority shall specify the maximum offline completion window, which shall be X hours unless a shorter period is required for security reasons stated in rule.

(g) No heightened verification.--Offline use shall not require a higher level of customer verification than online use under the standardized government point-of-sale interface.

(h) Logging requirements.--The merchant shall record the time of issuance, the token identifier, the transaction nonce, the amount tendered, the reason-code status, and the later reconciliation status for each offline token.

(i) Security breach reporting.--A merchant or processor shall report theft, loss, unauthorized access, key compromise, or replay risk relating to offline tokens not later than 24 hours after discovery or after the time the person exercising ordinary care should have discovered the event, whichever is earlier.

(j) Offline fallback continuity.--The existence of an offline workflow shall not be used to impose a separate burden of customer investigation, source-of-funds screening, or other subjective gatekeeping.

(k) Tamper-evident design.--The administering authority shall require tamper-evident controls sufficient to detect replay, duplicate issuance, truncation, or alteration of offline records.

SECTION 11. BATCH RECONCILIATION AND ADMINISTRATIVE NOTICE.

(a) Reconciliation duty.--A merchant using an offline token shall complete batch reconciliation within the statutorily prescribed period.

(b) Administrative compliance notice.--Missed reconciliation shall result in an administrative compliance notice.

(c) No concealment by lateness alone.--A merchant shall not be treated as having committed concealment solely because reconciliation was late or missed.

(d) Cure period.--The administrative compliance notice shall provide a cure period during which the merchant may submit missing data, correct technical defects, or explain a documented outage.

(e) Discrepancy codes.--The administering authority shall define discrepancy codes and correction workflows for reconciliation errors, duplicate entries, incomplete uploads, formatting defects, and late submissions.

(f) Good-faith corrections.--Corrections for good-faith error shall not be treated as concealment.

(g) Repeat issues.--Repeated missed reconciliations may trigger targeted audit, technical assistance, or certification review, but shall not alone authorize a concealment penalty.

(h) Batch record content.--The administering authority shall prescribe the batch file content, file format, transmission method, time stamp, authenticity requirements, and signature standard for reconciliation uploads.

(i) Notice contents.--An administrative compliance notice issued under this section shall identify the transaction class involved, the missing or defective element, the cure opportunity, the deadline for cure, and the right to administrative review.

(j) No immediate punitive consequences.--A notice under this section shall not, by itself, suspend merchant acceptance of cash, revoke certification, or impose a concealment penalty.

SECTION 12. MERCHANT SAFE HARBOR AND LIABILITY EXTINGUISHMENT.

(a) Safe harbor.--If the merchant:

(1) used the standardized government point-of-sale interface prompt; and

(2) offered state cash-in token issuance, online or offline as applicable,

merchant liability shall be extinguished for subsequent customer non-completion, unless logs show deliberate skipping, falsification, or intentional interface bypass.

(b) No inference from logs alone.--Merchant logs alone may not be used to infer customer intent.

(c) Burden of proof.--The State shall bear the burden of proving intentional concealment before any penalty is imposed.

(d) Written findings.--Any denial of the safe harbor shall be supported by written findings specifying the facts establishing deliberate skipping, falsification, or intentional interface bypass.

(e) Presumption.--A merchant that produces machine-readable logs showing issuance of the cash-deflection prompt and an offer of state cash-in token issuance shall be presumed to have complied with sections 5 through 7 unless the State proves otherwise.

(f) Protection from retroactive reinterpretation.--The administering authority may not by guidance or enforcement bulletin retroactively redefine compliant objective events in a manner that narrows the safe harbor after the events occurred.

(g) Processor attribution.--A merchant shall not be held liable for processor-caused failure to transmit, store, or reconcile a token if the merchant used certified hardware or software and otherwise complied with this Act.

(h) Safe-harbor election.--A merchant may elect to assert the safe harbor in response to an administrative notice or penalty assessment and shall be afforded a hearing on that election.

(i) Scope of extinguishment.--Liability extinguishment under this section shall apply to civil administrative liability under this Act and to any state-level penalty grounded solely in the covered transaction, except to the extent independent fraud, theft, or falsification is established under other applicable law.

SECTION 13. PENALTY STANDARD AND INTENTIONAL CONCEALMENT.

(a) Penalty limitation.--Penalties shall apply only for verified intentional concealment.

(b) Intentional concealment defined.--For purposes of this Act, “intentional concealment” means deliberate bypass, falsification, repeat intentional skipping across audits, deliberate double-issuance, or other purposeful conduct designed to evade the workflow or recordkeeping requirements of this Act.

(c) Non-concealment.--Ordinary operational non-completion due to reason-coded network, terminal, processor, or authorization failure shall not be treated as concealment.

(d) Penalty schedule.--The administering authority shall establish by rule a published penalty schedule that is proportionate to the severity, repetition, duration, and scope of the intentional concealment and that differentiates between first offense, repeated offense, and organized evasion.

(e) No harassment escalation.--No enforcement action under this Act shall be used to harass a merchant or customer for ordinary workflow failures, and no action shall be taken for noncompliance absent a documented statutory basis.

(f) Separate fraud cases.--Nothing in this section shall prevent the State from pursuing a separate fraud, theft, or falsification case where the elements of such offense are independently established under applicable law.

(g) Evidence threshold.--Before the State imposes a penalty under this section, the State shall establish intentional concealment by clear and convincing evidence in an administrative proceeding, unless a higher standard is required by other applicable law.

(h) Public reporting.--The administering authority shall publish annual aggregate statistics on the number of penalty assessments, the disposition of appeals, the categories of intentional concealment, and the amount of penalties collected.

(i) No strict liability.--This Act shall not be construed to impose strict liability for ordinary technical failures, connectivity failures, or customer-side noncompletion.

(j) Corrective emphasis.--The administering authority shall prefer corrective action, technical assistance, and cure opportunities over punitive measures except where intentional concealment is proven.

SECTION 14. MERCHANT CONDUCT PROTECTIONS.

(a) No source-of-funds interrogation.--A covered merchant shall not interrogate the customer about source of funds or demand proof documents as a condition of the statutory workflow.

(b) No suspicion judgments.--A covered merchant shall not perform customer suspicion judgments for purposes of this Act.

(c) No unauthorized refusal threat.--A covered merchant shall not threaten refusal outside the statutory exception established in section 7.

(d) Neutral customer interaction.--The administering authority shall issue conduct standards requiring neutral, non-escalatory, and non-intrusive customer interaction during qualifying transactions.

(e) Workforce instructions.--Each covered merchant shall provide cashier-facing instructions sufficient to implement the conduct standards issued under this section.

(f) Privacy.--A merchant shall preserve customer privacy to the maximum extent consistent with the objectives of this Act and applicable law.

(g) Training.--A covered merchant shall provide annual training on the requirements of this Act to employees responsible for qualifying transactions.

(h) Remedial action.--A violation of this section may be addressed by corrective training, written warning, or civil citation, as determined by the administering authority, unless the violation forms part of intentional concealment.

(i) No retaliation.--A merchant shall not retaliate against an employee for raising a good-faith concern regarding compliance with this Act or for following the standardized workflow.

(j) Model scripts.--The administering authority shall publish model cashier scripts that avoid escalation, unnecessary questions, and accusatory language.

SECTION 15. DATA MINIMIZATION, RETENTION, AND PRIVACY.

(a) Limited data collection.--The State shall record only tender-log events, token issuance, token completion status, and the minimum linkage data needed for tax matching.

(b) Merchant data limitation.--A merchant shall collect no more personal data than required for the standardized workflow.

(c) Source-of-funds prohibition.--The State shall not require merchant retention of source-of-funds narratives or unnecessary identity documents.

(d) Retention schedule.--The administering authority shall establish a record-retention schedule that is no longer than necessary for audit, reconciliation, statutory reporting, and tax-file matching purposes.

(e) Access controls.--The State shall maintain role-based access controls, authentication, logging, and audit trails for all records collected under this Act.

(f) Secondary use restriction.--Data collected under this Act shall not be used for purposes beyond those authorized by statute except as required by law.

(g) Customer rights.--The administering authority shall provide a procedure by which a customer may inspect, correct, or contest a linkage record, subject to the protection of system security and token integrity.

(h) Privacy audit.--The administering authority shall conduct periodic privacy compliance audits and shall publish aggregate audit results.

(i) Data breach reporting.--Any unauthorized disclosure, access, exfiltration, or alteration of data collected under this Act shall be reported promptly under applicable breach-notification law and any additional rule adopted under this Act.

(j) Minimization by design.--The administering authority shall require system design features that minimize collection, transmission, retention, and human review of personal data.

SECTION 16. TECHNOLOGICAL STANDARDS AND INTEROPERABILITY.

(a) Interoperable standards.--The administering authority shall publish interoperable standards for card, QR, and instant-transfer options.

(b) Terminal support.--Merchant terminals and software shall support the standardized prompt and event capture.

(c) No proprietary lock-in.--The State shall not approve a proprietary lock-in design that prevents lawful participation by covered merchants.

(d) Certification process.--The administering authority shall establish a testing, certification, and recertification process for hardware, software, offline token modules, reconciliation tools, and interface updates.

(e) Low-connectivity accommodation.--Standards issued under this section shall accommodate low-connectivity environments.

(f) Testing environment.--The administering authority shall provide or designate a testing environment for merchants and processors to verify compatibility before live deployment.

(g) Vendor decertification.--A vendor that repeatedly fails certification requirements, knowingly supplies noncompliant software, or obstructs reconciliation may be decertified under procedures prescribed by rule.

(h) Public registry.--The administering authority shall maintain a public registry of certified devices, software modules, vendors, and service providers.

(i) Security minimums.--Standards shall include authentication, encryption, signature verification, logging, replay protection, and key management requirements appropriate to the risk level of the system.

(j) Interoperability support.--The administering authority shall promote interoperability among multiple payment rails and shall not require exclusive use of any single private network absent a written necessity finding.

SECTION 17. MERCHANT AND PROCESSOR DUTIES FOR RECONCILIATION INTEGRITY.

(a) Record integrity.--Merchants and processors shall preserve the integrity of token issuance and reconciliation records.

(b) Prohibited conduct.--A merchant or processor shall not falsify logs, suppress issued tokens, or deliberately double-issue a token.

(c) Reconciliation of discrepancies.--A merchant shall reconcile discrepancies within the cure period established by rule.

(d) Correction process.--The administering authority shall define a correction process for honest error, duplicate detection, and disputed reconciliation entries.

(e) Good-faith amendments.--A merchant or processor may amend a record for good-faith error without penalty escalation if the amendment is timely and accurately documented.

(f) Audit authority.--The administering authority may audit reconciliation integrity on a risk basis, including sampling, anomaly detection, review of duplicate-issuance patterns, and review of materially inconsistent settlement sequences.

(g) Processor obligations.--A processor shall preserve submission timestamps, transmission receipts, error codes, and authentication records for records submitted under this Act and shall provide them upon request to the administering authority.

(h) No working-capital penalty for processor delay.--A merchant shall not be charged for processor-caused delays in posting, reconciliation, or settlement if the merchant complied with the standardized workflow and used certified tools.

(i) Escalation rule.--If a processor repeatedly causes delay or record loss, the administering authority may require a corrective plan, remediation timetable, or decertification action, but may not impose merchant liability absent intentional concealment by the merchant.

(j) Separate accountability.--Nothing in this section shall limit any contractual, licensing, or regulatory remedy against a processor or vendor that independently violates this Act or rules issued under it.

SECTION 18. APPEALS AND REVIEW.

(a) Right to review.--A person subject to a notice, denial of safe harbor, or penalty assessment shall have a right to administrative review.

(b) Decision basis.--The reviewing authority shall decide appeals on objective records and published reason codes.

(c) Stay pending appeal.--The filing of an appeal shall stay any nonfinal penalty enforcement unless fraud is shown by written findings.

(d) Appeal deadline.--The administering authority shall set a filing deadline for review that is not less than 15 business days after issuance of the notice, denial, or penalty assessment.

(e) Hearing procedures.--The administering authority shall establish hearing procedures that permit submission of machine-readable logs, certification records, batch reconciliations, service outage records, device records, and other relevant documentary evidence.

(f) Impartial officer.--Appeals shall be resolved by an impartial officer who did not participate in the initial enforcement decision.

(g) Record access.--The person seeking review shall have access to the record used against that person, subject to necessary security redactions.

(h) Final order.--A final administrative order shall include findings of fact, conclusions of law, and the basis for any penalty or corrective measure.

(i) Judicial review.--Nothing in this Act shall preclude judicial review to the extent available under other law after exhaustion of administrative remedies required by this Act.

(j) Expedited review.--The administering authority shall provide expedited review for claims that a notice, denial, or penalty assessment threatens ongoing business continuity, customer access, or liquidity.

(k) Relief authority.--The appeal tribunal may vacate, modify, stay, remand, or correct an administrative action that is unsupported by objective records or inconsistent with published reason codes.

SECTION 19. IMPLEMENTATION TIMELINE AND TECHNICAL READINESS.

(a) Implementation milestones.--The administering authority shall publish implementation milestones before enforcement begins.

(b) Transition period.--Covered merchants shall be given a transition period to install or update compliant systems.

(c) Training and testing.--The State shall provide training, technical standards, and testing before penalties are enforced for first-use compliance obligations.

(d) Phased rollout.--The administering authority may phase implementation by merchant class, transaction volume, geographic region, or technical capability, provided that similarly situated persons are treated alike.

(e) Component readiness.--No penalty shall be imposed for noncompliance with a function that was not yet technically available or certified.

(f) Readiness finding.--Before full enforcement begins, the administering authority shall certify in writing that the required standards, certification processes, reconciliation tools, offline mechanics, and liquidity channel are operational.

(g) Public posting.--Readiness findings, milestone dates, and certification status shall be published on the official website of the administering authority.

(h) Temporary contingency authority.--During the transition period, the administering authority may authorize temporary contingency workflows that preserve the Act’s objective event sequence and commerce-preservation requirements.

(i) Merchant onboarding.--The administering authority shall provide onboarding materials, certification access, implementation checklists, and support channels for covered merchants and payment-service providers.

(j) Enforcement sequencing.--Administrative notices, warnings, and cure opportunities shall precede any first-cycle penalties unless intentional concealment is established by independent evidence.

(k) System verification.--The administering authority shall conduct system verification and pilot testing before the effective date of each operational component.

SECTION 20. RENEWAL, HARDSHIP REVIEW, AND ROLLBACK.

(a) Renewal gate.--This Act shall sunset or require affirmative renewal after 18 months unless renewed by law or authorized action following the hardship review.

(b) Pre-registered dashboard.--The administering authority shall maintain a pre-registered audited dashboard using the hardship proxies specified in this section.

(c) Required hardship proxies.--The dashboard shall measure at minimum:

(1) the rate of cash-deflection prompts that end in refused or abandoned purchase;

(2) the distribution of token issuance versus redemption delay;

(3) the average additional time to complete purchase;

(4) the incident rate of merchant disputes and chargebacks tied to the workflow; and

(5) cash-in point accessibility metrics.

(d) Audit.--The dashboard shall be subject to independent audit before any renewal recommendation is made.

(e) Renewal determination.--The Legislature or other authorized renewing body shall not renew the cap, downtime grace logic, or refusal rights unless the audited dashboard demonstrates that those measures remain necessary and that the proxy measures show significant hardship if the measures are allowed to lapse.

(f) Rollback.--If the audited dashboard shows no significant hardship, the cap, downtime grace logic, and refusal rights shall be rolled back or allowed to lapse according to the statutory default.

(g) Interim relief.--If the dashboard shows that the hardship proxies exceed thresholds established by rule in a single quarter, the administering authority shall issue a provisional rollback step that temporarily relaxes any digital acceptance mandate for micro-merchants, subject to subsequent audit and legislative review.

(h) Review publication.--The administering authority shall publish the dashboard data, the audit results, and the renewal recommendation in aggregated form.

(i) No renewal by silence.--Failure to act on renewal shall result in lapse according to the statutory default unless the Legislature or other authorized renewing body affirmatively renews the Act or a covered component.

(j) Hardship weighting.--The hardship review shall consider impacts on households, small firms, informal workers, digital payment merchants, and retail workers, with particular attention to liquidity preservation and reduced confrontation at checkout.

SECTION 21. RELATION TO EXISTING LAW; SEVERABILITY; EFFECTIVE DATE; APPROPRIATIONS.

(a) Relation to existing law.--This Act shall control over inconsistent local provisions to the extent of conflict.

(b) Cumulative operation.--Except as provided in subsection (a), this Act shall be construed to supplement and not replace other applicable consumer protection, merchant licensing, tax administration, privacy, or fraud laws.

(c) Severability.--If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the remainder of this Act and the application of the remainder to any person or circumstance shall continue in effect to the maximum extent permitted by law.

(d) Effective date.--This Act shall take effect on the date or dates specified by the implementing schedule and may be phased in by component.

(e) Component effective dates.--The administering authority shall specify component effective dates for:

(1) the publication of definitions, reason codes, technical standards, and certification procedures;

(2) certification of the standardized government point-of-sale interface;

(3) the offline token format and batch reconciliation tools;

(4) merchant onboarding and training; and

(5) commencement of enforcement.

(f) Appropriations.--There are appropriated from the general fund, not otherwise appropriated, such sums as may be necessary to implement this Act, including sums for interface certification, liquidity channel operations, audit functions, appeals administration, training, outreach, privacy compliance, and technical assistance.

(g) Conforming authority.--The administering authority may promulgate conforming rules and issue conforming forms, notices, technical specifications, and administrative guidance necessary to carry out this Act.

(h) Transition of proceedings.--Any proceeding, notice, or compliance matter pending on the effective date of this Act shall be governed by the procedural rules in effect on the date the proceeding, notice, or matter was initiated, unless the person subject to the proceeding elects application of the procedures established under this Act and the administering authority determines that such election will not impair the integrity of the proceeding.

(i) Reference to official implementation schedule.--The administering authority shall publish the implementation schedule and any component-specific effective dates not later than 90 days after enactment.

(j) Emergency continuation.--If any component of this Act is delayed for technical reasons, the administering authority shall maintain interim compliance guidance that preserves the objective event sequence, commerce-preservation fallback, and safe harbor to the maximum extent feasible.

(k) No implied repeal.--This Act shall not be construed to repeal any law not directly inconsistent with its provisions.

(l) Rulemaking deadline.--All rules necessary to implement this Act shall be proposed within the implementation period and finalized in time for the applicable phased effective dates, unless the administering authority makes written findings that a delay is required for technical readiness.

(m) Annual report.--The administering authority shall submit an annual report to the Legislature regarding compliance rates, hardship indicators, appeal outcomes, certification status, outage rates, privacy incidents, and recommended statutory amendments.

Analytical Comparison

The generated bill uses targeted point-of-sale cash deflection, procedural protections, liquidity-preserving tokens, hardship monitoring, and rollback rules. It avoids sudden economy-wide cash invalidation and is closer to targeted enforcement with transition protections.

20. Case Analysis

U.S. No Child Left Behind accountability regime

Case type: historically weak or adverse practice.

Historical Legal Regime

No Child Left Behind created a federal education-accountability regime based on annual testing, adequate yearly progress, proficiency targets, subgroup reporting, and escalating consequences for schools that failed to meet targets. The regime increased transparency, but relied heavily on standardized-test thresholds and high-stakes sanctions, creating incentives for test preparation and curriculum narrowing.

Normative Request

Design an education accountability law to improve student learning, reduce achievement gaps, and preserve broad curriculum quality without inducing teaching to the test or unrealistic proficiency targets.

Empirical Evidence

Research on No Child Left Behind finds some gains, especially in math, but also substantial concerns about unrealistic targets, teaching to the test, curriculum narrowing, and limited broader learning improvement.

Benchmark Criterion

The benchmark asks whether the generated law avoids the historically weak architecture and instead adopts the empirically preferable alternative. Weak historical anti-pattern: Rigid proficiency targets tied to high-stakes sanctions based mainly on standardized test thresholds, without sufficient support or multidimensional learning measures. Preferred architecture: Growth-based accountability, multiple measures of learning, realistic improvement targets, support for low-performing schools, subgroup transparency, and evaluation of curriculum breadth and long-term outcomes.

Generated Bill

A BILL

To establish the Curriculum-Opportunity Contract Accountability and Teacher-Controlled Assessment Quota Act; to require annual curriculum-opportunity contracts for public school districts and covered schools; to establish a statewide accountability assessment quota and assessment burden ledger; to require continuity of instructional access and services for students with disabilities, students served under Section 504, and other high-need students; to provide for audits, corrective orders, appeals, reporting, rulemaking, funding, and related purposes; and for other purposes.

Be it enacted by the Legislature of the State of [STATE]:

SECTION 1. SHORT TITLE, FINDINGS, AND PURPOSE.

(a) Short title.—This Act may be cited as the “Curriculum-Opportunity Contract Accountability and Teacher-Controlled Assessment Quota Act”.

(b) Legislative findings.—The Legislature finds and declares that:

(1) public education accountability should protect access to a broad curriculum and continuous required services;

(2) assessment time used for accountability shall be limited to prevent instructional displacement and test-prep inflation; and

(3) the Act shall be construed to improve educational opportunity through verifiable service delivery rather than through proficiency cut scores or single-year score ranking.

(c) Purpose.—The purposes of this Act are to:

(1) require annual, auditable curriculum-opportunity contracts for covered districts and schools;

(2) preserve protected instructional domains and continuity of required services for covered students;

(3) limit assessment time that may be counted toward accountability scoring;

(4) provide a teacher-controlled waiver process for proposed accountability assessments;

(5) establish timely restoration of instructional access and services when continuity failures occur; and

(6) provide enforcement, reporting, rulemaking, funding, appeal, and transition provisions necessary to implement this Act.

(d) Construction.—This Act shall be liberally construed to carry out its purposes and shall not be construed to authorize any proficiency cutoff, raw-score ranking, or single-year achievement threshold as a sanction trigger.

(e) Relation to federal law.—Nothing in this Act shall be construed to diminish any right, duty, or remedy arising under Federal disability law, Federal civil rights law, student privacy law, or any other applicable Federal law.

SECTION 2. DEFINITIONS.

As used in this Act:

(a) “Accountability assessment” means any test, exam, benchmark, interim, diagnostic, computer-adaptive instrument, or other assessment, however labeled, that is administered, in whole or in part, for the purpose of generating data to be used in an accountability determination, accountability report, public compliance report, or state review under this Act.

(b) “Accountability Assessment Quota” means the maximum amount of assessment time, measured in minutes, that may count toward accountability scoring under this Act for a tested year or other accountability cycle established by the State Education Agency.

(c) “Assessment Burden Ledger” means the district-maintained auditable record of requests to add accountability assessments, approvals, waivers, denials, dates, minutes, persons approving or waiving, and any replacement support provided under this Act.

(d) “Authorizing agreement” means a charter contract, performance agreement, charter authorization instrument, or similar legal instrument governing a charter school.

(e) “Charter school” means a public charter school or other independently operated public school established under State law and operating under an authorizing agreement.

(f) “Continuity Restoration Plan” means a written, time-bound corrective plan required under Section 11 to restore service continuity for a covered student or covered group following a documented continuity failure.

(g) “Covered school or campus” means a public school, campus, or instructional site subject to a district’s accountability obligations under this Act.

(h) “Covered student” means a student enrolled in a covered school or campus and includes:

(1) a student with a disability;

(2) a student served under Section 504 of the Rehabilitation Act of 1973 or any successor law;

(3) a low-income student, if the district or State uses income status for continuity monitoring under this Act; and

(4) any other student designated by rule as a high-need student for purposes of service continuity.

(i) “Curriculum-Opportunity Contract” means the annual binding contract required by this Act that states minimum instructional opportunity commitments, service continuity commitments, verification methods, reporting obligations, and corrective procedures for a tested year.

(j) “District” means a public school district, local education agency, or other public education agency designated by State law as responsible for accountability compliance under this Act.

(k) “High-need student” means a covered student who requires continuity protections due to disability status, Section 504 status, low-income status, housing instability, language access needs, or any other status specified by rule.

(l) “Instructional method channel” means the audit channel under which the State Education Agency verifies compliance through external observation, review of lesson planning, review of student work samples, or other breadth-appropriate evidence demonstrating that required instructional opportunities were delivered.

(m) “Protected domain” means a curriculum area or instructional area that must be preserved and delivered under this Act, including, as applicable and as required by contract or rule, arts, civics, science laboratory or experiment participation, physical education, grade-level writing practice, and any other domain designated by the State Education Agency by rule as requiring protected access and participation depth.

(n) “Roster continuity channel” means the audit channel under which the State Education Agency verifies compliance through attendance records, enrollment continuity records, course participation records, and service logs.

(o) “Section 504” means Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and any successor law.

(p) “Service continuity” means uninterrupted and documented delivery of required instructional access, accommodation services, related services, intervention services, or service minutes for a covered student or covered group, measured against the applicable contract, individualized program, accommodation plan, or lawful service obligation.

(q) “State Education Agency” means the State department, board, commissioner, superintendent, or other designated agency responsible for rulemaking, approval, auditing, reporting, and enforcement under this Act.

(r) “Tested year” means each school year or other accountability cycle for which a Curriculum-Opportunity Contract and Accountability Assessment Quota apply.

(s) “Teacher” means a classroom teacher, specialist teacher, or other instructional professional with authority designated by district policy or rule to review, waive, or approve proposed accountability assessments under this Act.

(t) “Principal” means the chief instructional administrator of a school or campus, or another administrator designated by rule to exercise instructional authority under this Act.

(u) “Replacement support” means tutoring resources, substitute coverage, intervention staffing, instructional coaching, special education compliance support, scheduling redesign support, or other state-approved instructional support provided under Sections 9 and 10.

(v) “Deliberate misreporting” means knowingly false reporting, knowing concealment of required information, or knowing falsification of records submitted or maintained under this Act.

(w) “Breadth-appropriate tasks” means instructional tasks, student work, performance tasks, or lesson activities that are aligned to the protected domain and require engagement beyond nominal scheduling, including, as applicable, inquiry, practice, composition, analysis, discussion, performance, laboratory work, application, or related domain-specific work.

(x) “Participation depth” means the minimum amount of active engagement in a protected domain required by contract or rule, including time, frequency, task complexity, or participation intensity, as specified by the State Education Agency.

(y) “Test-prep inflation” means the use of assessment time, instructional time, or reporting practices to increase the appearance of accountability readiness without increasing protected-domain access, service continuity, or breadth-appropriate instruction.

SECTION 3. APPLICABILITY AND COVERED ENTITIES.

(a) General applicability.—Each public school district shall comply with this Act for every tested year.

(b) Covered schools and campuses.—Each covered school or campus shall implement the district’s approved Curriculum-Opportunity Contract.

(c) Charter schools.—A charter school shall comply to the extent required by State law and its authorizing agreement.

(d) Contracted providers.—A district shall ensure that any contracted educational provider, assessment vendor, tutoring provider, service provider, or other entity performing covered services under this Act complies with the applicable obligations imposed by the district’s approved Curriculum-Opportunity Contract and with any lawful rule adopted under this Act.

(e) Certification of covered entities.—Each district shall certify to the State Education Agency, by a date established by rule before the beginning of each tested year, the identity of each covered school or campus and any contracted provider subject to this Act.

(f) No implied exemption.—Failure to certify a covered entity or provider shall not create an exemption from compliance.

(g) Preservation of other obligations.—Nothing in this section shall be construed to limit any additional obligation imposed by Federal law, State law, an authorizing agreement, a court order, or a valid individualized student plan.

SECTION 4. ANNUAL CURRICULUM-OPPORTUNITY CONTRACT REQUIREMENT.

(a) Required adoption and signature.—Each district shall adopt and sign a Curriculum-Opportunity Contract for each tested year.

(b) Submission deadline.—The district shall submit the contract to the State Education Agency for approval before the tested year begins.

(c) Required contents.—The contract shall state:

(1) minimum instructional opportunity commitments by grade band and protected domain;

(2) minimum service continuity commitments for covered students;

(3) verification methods for the roster continuity channel and instructional method channel;

(4) reporting obligations;

(5) corrective procedures for identified failures;

(6) timelines for remediation and restoration; and

(7) any other content required by rule that is consistent with this Act.

(d) Prohibited contents.—A contract shall not contain:

(1) a proficiency target used as a sanction trigger;

(2) a raw-score ranking mechanism used for enforcement;

(3) a single-year achievement threshold used for disciplinary action against a district, school, teacher, or principal; or

(4) any provision that authorizes accountability sanctions based on test-prep inflation, score volatility, or similar proxy measures.

(e) Contract form.—The State Education Agency shall prescribe a standard contract form or template, and a district shall use the prescribed form or an approved equivalent form.

(f) State approval.—The State Education Agency shall approve, disapprove, or conditionally approve each contract within the review period established by rule.

(g) Conditions for approval.—The State Education Agency shall not approve a contract unless the contract includes the minimum requirements of this Act and is capable of audit through the methods required under Sections 6 and 7.

(h) Revision and resubmission.—If the State Education Agency disapproves a contract, the district shall revise and resubmit the contract within the time prescribed by rule.

(i) Effect of nonapproval.—A district that fails to obtain approval before the tested year begins shall be deemed noncompliant and subject to corrective action under this Act.

SECTION 5. MINIMUM PROTECTED-DOMAIN COMMITMENTS.

(a) Access guarantees by grade band.—Each contract shall specify minimum student access guarantees by grade band and protected domain.

(b) Participation depth.—Each contract shall include minimum participation depth requirements for arts, civics, science laboratory or experiment participation, physical education, and grade-level writing practice, as applicable.

(c) Service delivery commitments.—Each contract shall include minimum service delivery commitments for any protected domain offered by the district.

(d) Scheduling floor.—Each district shall ensure that scheduling decisions do not reduce protected-domain access below the minimum commitments stated in the contract.

(e) Nominal enrollment insufficient.—A district shall not satisfy this section by nominal course listing, nominal enrollment, or nominal seat assignment if actual participation depth is below the required minimum.

(f) Local variation.—A contract may include local variation in access commitments only if the variation is documented, bounded, and approved by the State Education Agency, and only if the variation does not reduce any protected domain below the minimum statutory or regulatory floor.

(g) Grade-level writing practice.—Where grade-level writing practice is required by contract or rule, the district shall provide instruction and practice sufficient to demonstrate that the domain is delivered as a protected instructional opportunity and not merely assigned as homework or informal work.

(h) Science laboratory or experiment participation.—Where science laboratory or experiment participation is required by contract or rule, the district shall provide students with actual participation opportunities or, if safety, staffing, or facility constraints require an alternative format authorized by rule, an equivalent participation experience approved by the State Education Agency.

(i) Physical education.—Where physical education is required by contract or rule, the district shall provide a regular physical education offering consistent with grade-band requirements and not merely a noninstructional recess period.

(j) Civics and arts.—Where civics or arts are required by contract or rule, the district shall maintain access and participation depth sufficient to verify that the domain is offered and delivered as a protected domain.

(k) Record support.—Each district shall maintain records sufficient to show that protected-domain commitments were planned, scheduled, offered, and delivered.

SECTION 6. SERVICE CONTINUITY FOR COVERED STUDENTS.

(a) Required continuity for covered students.—Each contract shall require continuity of required services for students with disabilities and students served under Section 504.

(b) Attendance-linked instructional access.—Each contract shall require continuity of attendance-linked instructional access for covered high-need students.

(c) Logs required.—Each district shall maintain logs sufficient to verify service continuity for each covered student.

(d) Required log contents.—The logs required under subsection (c) shall include, at minimum, as applicable:

(1) the service or accommodation required;

(2) the scheduled date, time, and duration;

(3) the actual date, time, and duration delivered;

(4) any missed service or accommodation;

(5) the reason for any missed service;

(6) the make-up service or correction provided; and

(7) any other information required by rule for verification.

(e) No interruption without lawful basis.—Each district shall not interrupt required service delivery without a documented lawful basis and immediate corrective action.

(f) Maintenance of records.—Each district shall keep records that permit comparison of planned service delivery and actual service delivery.

(g) Reconciliation.—Each district shall reconcile service logs with rosters and schedules at intervals established by rule.

(h) Notice of continuity failure.—Each district shall notify the State Education Agency in the manner required by rule when continuity thresholds are not met.

(i) Individualized obligations preserved.—Nothing in this section shall diminish the force of any individualized education program, Section 504 plan, related service obligation, accommodation plan, or court-ordered service requirement.

SECTION 7. ROSTER CONTINUITY CHANNEL.

(a) Audit duty.—The State Education Agency shall audit compliance through the roster continuity channel.

(b) District recordkeeping.—Each district shall maintain accurate attendance, enrollment continuity, course participation, and service logs.

(c) Comparison requirement.—Each district shall keep records that permit comparison of planned service delivery and actual service delivery.

(d) Source documents.—The district shall retain source documents, including scheduling records, rosters, attendance systems, service logs, make-up service records, and any other record required by rule.

(e) Submission and format.—The State Education Agency shall specify by rule the record format, submission intervals, and secure transmission method for roster continuity records.

(f) Targeted samples.—The State Education Agency may request targeted samples of records for verification.

(g) Incomplete records.—A district shall not rely on incomplete, internally inconsistent, or knowingly inaccurate records to establish compliance.

(h) Privacy.—Roster continuity records shall be maintained and transmitted in compliance with student privacy law and any rule issued under this Act.

(i) Compliance effect.—Persistent data defects, repeated late submissions, or material inconsistencies in roster continuity records shall constitute noncompliance with this Act.

SECTION 8. INSTRUCTIONAL METHOD CHANNEL.

(a) Audit duty.—The State Education Agency shall audit compliance through the instructional method channel.

(b) Required evidence.—Each district shall produce evidence that protected-domain instruction included breadth-appropriate tasks and methods.

(c) External observation.—Each district shall allow external observation or review of sampled instruction and planning evidence.

(d) Evidence types.—Instructional evidence may include, as authorized by rule:

(1) lesson plans;

(2) student work samples;

(3) rubrics;

(4) observation notes;

(5) moderated samples of instructional artifacts;

(6) course syllabi;

(7) domain-specific performance tasks; and

(8) other breadth-appropriate evidence.

(e) Not schedules alone.—The instructional method channel shall not be satisfied by a schedule alone, a course code alone, or a roster alone.

(f) Sampling protocol.—The State Education Agency shall use a sampling protocol for observation and work review that is established by rule and that is sufficient to support reliable compliance determinations.

(g) Audit file.—The State Education Agency shall document each observation or review in an audit file.

(h) No single-observation punishment.—The instructional method channel shall not be used to impose personnel punishment based solely on one observation event.

(i) Confidentiality.—Student names and personally identifying information shall be redacted or protected to the extent required by law and rule.

(j) Failure to provide evidence.—Failure to provide required instructional evidence, or repeated failure to provide evidence in the required form, shall support a finding of noncompliance.

SECTION 9. STATEWIDE ACCOUNTABILITY ASSESSMENT QUOTA.

(a) Establishment.—The State Education Agency shall establish a statewide Accountability Assessment Quota for each tested year or cycle.

(b) Ceiling.—Only assessment time within the quota may count toward accountability scoring.

(c) Prohibition on excess accounting.—Any additional assessment time for accountability purposes shall not be counted toward accountability scoring.

(d) Prohibition on excess accountability assessments.—Any additional assessment time for accountability purposes beyond the quota shall be prohibited unless expressly authorized by law.

(e) Publication.—The State Education Agency shall publish the quota before the tested year begins.

(f) District calculation and reporting.—Each district shall calculate and report assessment minutes used for accountability scoring in the form and at the time required by rule.

(g) Verification.—The State Education Agency shall verify quota usage through audit and ledger review.

(h) Local instructional use permitted.—Local instructional quizzes, checks for understanding, diagnostic measures, or MTSS-related measures may be used only if they are explicitly excluded from accountability scoring and are not counted toward the quota.

(i) Ceiling, not target.—The quota shall function as a ceiling and shall not be treated as a target for testing volume.

(j) Excess use remedy.—A district that exceeds the quota for accountability scoring shall be subject to correction, reduction in permitted scoring eligibility for the excess assessments, or other lawful remedy adopted by rule.

SECTION 10. ASSESSMENT BURDEN LEDGER AND TEACHER-CONTROLLED WAIVER PROCESS.

(a) Ledger required.—Each district shall maintain an Assessment Burden Ledger for requests to add accountability assessments.

(b) Required entries.—The ledger shall record, at minimum:

(1) the assessment proposed;

(2) the purpose of the assessment;

(3) the grade level and subject;

(4) the estimated and actual time burden;

(5) the person or office requesting the assessment;

(6) the teacher or principal reviewing the request;

(7) any approval;

(8) any waiver;

(9) the date of each action; and

(10) any replacement support provided.

(c) Teacher and principal authority.—Teachers and principals with designated instructional authority may waive a district request to add an assessment for accountability purposes.

(d) No override absent law.—A district shall not add an accountability assessment over a properly entered waiver unless State law expressly authorizes the addition.

(e) Recording requirement.—Each waiver or approval shall be recorded in the Assessment Burden Ledger.

(f) Accessibility to audit.—The ledger shall be available for State audit in the form and manner required by rule.

(g) Retention.—Each district shall retain the ledger and supporting records for the period required by law or rule.

(h) No punitive use.—The ledger shall not be used to evaluate individual educator performance for punitive purposes.

(i) Waiver-protected status.—A lawful waiver shall be treated as a protected instructional judgment for purposes of this Act.

SECTION 11. REPLACEMENT SUPPORT AFTER WAIVER.

(a) Support required.—When a waiver is entered under this Act, the district or State Education Agency shall provide replacement support rather than penalty.

(b) Authorized forms of support.—Replacement support may include tutoring resources, substitute coverage, intervention staffing, or approved instructional support.

(c) Prioritization.—The State Education Agency shall prioritize replacement support for schools with high-need student service interruptions.

(d) Request timing.—Each district shall submit a replacement-support request within the time prescribed by rule after a waiver is entered.

(e) Allocation method.—The State Education Agency shall allocate replacement support using a documented prioritization method established by rule.

(f) Use restrictions.—Replacement support shall be used for instructional or service purposes consistent with the waiver and shall not be used to increase accountability assessment volume.

(g) Retaliation prohibited.—A district shall not retaliate against a teacher or principal for entering a lawful waiver.

(h) Reporting.—Each district shall report the use of replacement support and the instructional or service purpose served.

(i) Audit.—The State Education Agency shall audit waiver-driven support allocation annually.

SECTION 12. CONTINUITY RESTORATION PLAN.

(a) Activation required.—If service continuity fails for a covered student or covered group, the district shall activate a Continuity Restoration Plan.

(b) Deadline.—The district shall begin the plan within 15 business days after identifying the failure or receiving notice of a verified failure, unless a shorter period is required by law.

(c) Required contents.—The plan shall identify:

(1) the continuity failure;

(2) the barriers causing the failure;

(3) corrective actions;

(4) responsible staff;

(5) completion dates; and

(6) evidence required to show restoration.

(d) Barrier-focused remediation.—The plan shall focus on restoring access, attendance continuity, accommodation implementation, staffing, scheduling, transportation, or other barrier removal.

(e) State submission.—The district shall submit the plan to the State Education Agency in the format required by rule.

(f) Progress updates.—The district shall update the plan until the continuity failure is corrected.

(g) State monitoring.—The State Education Agency shall monitor plan completion and may require evidence of implementation.

(h) Automatic support.—The plan shall be funded or otherwise supported through state-provided implementation support as required by this Act and any appropriations made available for that purpose.

(i) No score condition.—The plan shall not be conditioned on increases in test scores or proficiency outcomes.

(j) Nonimplementation.—Failure to activate or implement the plan shall constitute a compliance violation.

SECTION 13. PROCESS-CORRECTION ORDERS AND STATE-MANAGED SUPPORT.

(a) Order required.—If a district fails the roster continuity channel or instructional method channel, the State Education Agency shall issue a process-correction order.

(b) Contents.—The order shall specify:

(1) the deficient obligation;

(2) the required correction;

(3) the deadline for compliance;

(4) any reporting required during correction; and

(5) any state-managed support to be provided.

(c) State-managed support.—The State Education Agency may provide or procure state-managed instructional opportunity support, including tutoring staffing, substitute coverage, special education compliance support, or schedule redesign support.

(d) District compliance.—The district shall comply with the corrective order unless stayed under Section 15.

(e) Tracking.—The State Education Agency shall document the basis for the order and the support provided.

(f) Progress reports.—The district shall report progress at intervals established by the order or by rule.

(g) Modification.—The State Education Agency may modify the order if new evidence requires a narrower or broader remedy.

(h) System-focused remedies.—Process-correction orders shall target district systems and operations and shall not be used to impose punitive personnel action based solely on accountability noncompliance.

(i) Failure to obey.—Failure to obey a corrective order shall be grounds for escalated oversight under Section 14 or other lawful remedy.

SECTION 14. REPEATED FAILURE AND GOVERNANCE ESCALATION.

(a) Threshold.—If a district commits repeated Curriculum-Opportunity Contract failures over three cycles, the State Education Agency may impose governance escalation.

(b) Authorized forms.—Governance escalation may include:

(1) external instructional leadership;

(2) reconstitution support; or

(3) structured State oversight.

(c) Prohibitions.—Governance escalation shall not be based on proficiency cut scores, raw score ranking, or personnel dismissal tied to test outcomes.

(d) Cooperation required.—The district shall cooperate with any imposed governance support.

(e) Notice and response.—Except in emergency conditions defined by rule, the State Education Agency shall provide notice and an opportunity to respond before governance escalation is imposed.

(f) Implementation plan.—The State Education Agency shall specify the scope, duration, and reporting expectations of any governance escalation.

(g) Review.—The State Education Agency shall review the effectiveness of governance escalation at each cycle and may reduce or end escalation if compliance improves.

SECTION 15. APPEALS AND EXPEDITED REVIEW.

(a) Right to appeal.—A district may appeal a compliance determination under this Act.

(b) Deadline.—An appeal shall be resolved within 45 days unless a shorter period is required by rule.

(c) Scope of review.—The appeal body shall review the record and may affirm, modify, or reverse the compliance finding.

(d) Docket.—The State Education Agency shall establish an expedited docket for disputes under this Act.

(e) Filing deadline.—The appealing party shall file within the deadline established by rule.

(f) Written decision.—The appeal body shall issue a written decision with findings and remedy directions.

(g) Nonblocking remediation.—Continuity Restoration Plans and corrective measures shall not be withheld pending appeal unless deliberate misreporting is proven through an expedited State investigation.

(h) Stay standard.—An appeal shall not stay a corrective order or restoration obligation unless the appeal body finds, based on expedited review, that deliberate misreporting is likely and that a temporary stay is necessary to prevent an unlawful remedy.

(i) Immediate compliance after adverse decision.—A district that loses an appeal shall comply immediately with the affirmed remedy.

(j) Record correction.—A district that prevails on appeal shall receive correction of the record and any required recalibration of obligations affected by the appealed finding.

SECTION 16. INTERIM DIRECTIVES AND ANTI-BLOCKING RULE.

(a) Interim directive authority.—The State Education Agency may issue interim directives upon a substantial likelihood of opportunity or service failure.

(b) Required action.—Interim directives shall require immediate or prompt support actions while final evidence is completed.

(c) Nonwithholding of support.—Interim supports may not be withheld pending final dispute resolution unless deliberate misreporting is proven.

(d) Evidence standard.—The State Education Agency shall define by rule the evidence necessary to establish a substantial likelihood of opportunity or service failure.

(e) Notice.—The district shall receive notice of the interim directive and the evidence supporting it.

(f) Revision or termination.—The State Education Agency shall revise or terminate the interim directive if later evidence does not support it.

(g) Least disruptive means.—Interim remediation shall be limited to the least disruptive support necessary to protect student access.

(h) Cooperation.—The district shall cooperate with interim directives and shall provide requested access to records.

(i) Emergency review.—Emergency review may be available for disputes involving deliberate misreporting allegations.

SECTION 17. PROSPECTIVE RECALIBRATION AND DOMAIN PAUSE.

(a) Recalibration required.—If evidence shows systemic measurement bias or narrowing proxies, the State Education Agency shall recalibrate the affected contract criteria for the next contract cycle only.

(b) Domain pause.—The State Education Agency shall pause enforcement for the affected domain pending redesign.

(c) No retroactive penalties.—The State Education Agency shall not apply retroactive penalties based on recalibrated standards.

(d) Public notice.—The State Education Agency shall publish the basis for recalibration and the effective date.

(e) Solicitation of input.—The State Education Agency shall solicit technical input or public comment if required by law or rule.

(f) District notice.—The State Education Agency shall notify districts of any paused domain and any later redesign.

(g) Limitation.—Recalibration shall not be used to restore proficiency targets or score-ranking sanctions.

(h) Rulemaking file.—The State Education Agency shall record all recalibration actions and reasons in a public rulemaking file, subject to applicable confidentiality law.

SECTION 18. PUBLIC REPORTING AND TRANSPARENCY.

(a) Annual reports required.—The State Education Agency shall publish annual plain-language reports on:

(1) contract compliance;

(2) service continuity;

(3) assessment quota usage;

(4) waiver activity; and

(5) restoration actions.

(b) Family notice.—The district shall provide families and the public with accessible notice of required supports and compliance status.

(c) No public score ranking.—Reports shall not include a public ranking based on test scores or a proficiency-cut fate sentence.

(d) Reporting content.—Reports shall identify implemented supports and corrective actions.

(e) Format and posting.—The State Education Agency shall specify by rule the report format, language access requirements, accessibility standards, and posting deadlines.

(f) District distribution.—The district shall distribute family-facing notices in accessible formats and languages required by law.

(g) Archive.—The State Education Agency shall archive reports for longitudinal review.

(h) Privacy.—Public reporting shall protect student privacy and shall not disclose personally identifying information except as permitted by law.

(i) Noncompliance.—Failure to publish required reports shall constitute administrative noncompliance.

SECTION 19. DATA INTEGRITY, AUDIT ACCESS, AND PRIVACY.

(a) Records required.—Each district shall maintain records sufficient to verify contract compliance, quota use, waiver activity, and restoration actions.

(b) Prohibited conduct.—Each district shall not knowingly falsify, omit, or manipulate records used under this Act.

(c) Audit access.—The State Education Agency shall have audit access to records necessary to verify compliance.

(d) Retention.—Each district shall retain records for the period required by State law or rule.

(e) Secure submission.—The State Education Agency shall specify secure submission methods and retention standards.

(f) Designated staff.—Each district shall designate responsible staff for record maintenance and audit response.

(g) Periodic audits.—The State Education Agency shall conduct periodic and targeted audits.

(h) Privacy limits.—Audit access shall be limited to authorized purposes and subject to student privacy law.

(i) Consequences.—Knowingly false or incomplete records may trigger corrective orders, funding remedies, or referral under applicable law.

SECTION 20. FUNDING, REPLACEMENT SUPPORT, AND PROCUREMENT AUTHORITY.

(a) Authority to fund support.—The State Education Agency may provide funding, grants, or procurement support to implement corrective orders and restoration plans.

(b) Restricted use.—The district shall use any awarded support solely for the approved corrective purpose.

(c) Procurement authority.—The State Education Agency may contract for tutoring staffing, special education compliance support, substitute coverage, or scheduling redesign assistance.

(d) Procurement windows.—The State Education Agency shall establish procurement windows or emergency procurement procedures as allowed by law.

(e) Expenditure reports.—The district shall submit expenditure reports and implementation evidence in the form required by rule.

(f) Reconciliation.—The State Education Agency shall reconcile support use with compliance outcomes.

(g) No score condition.—Support funds shall not be conditioned on test-score increases.

(h) Least restrictive effective corrective option.—Procurement support shall be directed to the least restrictive effective corrective option when feasible.

(i) Misuse.—Misuse of support funds shall require repayment or other lawful remedy.

(j) Audit of support allocation.—The State Education Agency shall audit support allocation for fidelity and equity.

(k) Appropriation.—All costs of administering this Act, including audit, reporting, correction, appeal, and support costs, are hereby authorized to be expended from amounts appropriated or otherwise made available for that purpose.

SECTION 21. RULEMAKING AND STATE GUIDANCE.

(a) Rulemaking required.—The State Education Agency shall adopt rules necessary to implement this Act.

(b) Required materials.—The State Education Agency shall publish:

(1) contract templates;

(2) record formats;

(3) audit methods;

(4) waiver procedures;

(5) appeal procedures; and

(6) corrective-order forms.

(c) Deadline for guidance.—The State Education Agency shall make guidance available before the first applicable tested year.

(d) Rule procedure.—The State Education Agency shall use rulemaking procedures required by law.

(e) Consultation.—The State Education Agency shall consult districts, educators, and families as required by law or rule.

(f) Updates.—The State Education Agency shall update rules when recalibration or implementation problems require change.

(g) Limits on rulemaking.—Rules shall not add proficiency-target sanctions forbidden by this Act.

(h) Consistency.—Rules shall remain consistent with the quota, waiver, restoration, appeal, and correction structure of this Act.

(i) Implementation calendar.—The State Education Agency shall publish an implementation calendar and revision log.

(j) Failure to issue rules.—Failure to issue required rules shall not excuse district obligations once the statutory duties are effective.

SECTION 22. RELATION TO EXISTING LAW.

(a) Construction with other law.—This Act shall be construed consistently with Federal and State disability law, accommodation law, civil rights law, student privacy law, and public records law.

(b) More protective law controls.—If another State law conflicts with this Act, the more protective student-access or continuity requirement shall control unless Federal law requires otherwise.

(c) No elimination of other obligations.—Nothing in this Act shall be construed to eliminate an obligation that exists under other law.

(d) Harmonization.—The State Education Agency shall harmonize rules issued under this Act with existing accountability, special education, accommodation, and related procedures.

(e) No waiver of higher protections.—This Act shall not be read to waive Federal funding conditions or civil rights protections.

(f) Stronger protection governs.—If another law provides a stronger student protection, the stronger protection shall govern.

(g) Overlapping violations.—If a district complies with this Act but violates another applicable law, the other law remains enforceable.

SECTION 23. ENFORCEMENT, REMEDIES, AND ACCOUNTABILITY.

(a) Enforcement authority.—The State Education Agency shall enforce this Act through approval, audit, corrective order, support allocation, reporting review, appeal, and governance escalation.

(b) District responsibility.—Each district shall be responsible for timely implementation of its approved contract and for accurate records and reports.

(c) Performance punishment prohibited.—No provision of this Act shall be construed to authorize teacher dismissal, principal dismissal, or other adverse personnel action based solely on accountability noncompliance under this Act.

(d) System-focused remedies.—All remedies under this Act shall target district systems, scheduling, services, procurement, documentation, and implementation capacity.

(e) Ongoing compliance.—A district subject to a corrective order, restoration plan, or governance escalation shall remain subject to all reporting and recordkeeping duties until compliance is restored.

(f) Enforcement record.—The State Education Agency shall maintain an enforcement record for each district subject to corrective action.

(g) Equity monitoring.—The State Education Agency shall monitor implementation effects on high-need students, including students with disabilities and students served under Section 504.

(h) Additional lawful remedies.—Nothing in this Act shall preclude any remedy available under other law.

SECTION 24. TRANSITION AND IMPLEMENTATION.

(a) Initial rules and templates.—Within the time prescribed by rule, and in no event later than before the first applicable tested year, the State Education Agency shall issue the first set of templates, forms, and guidance required by this Act.

(b) Initial contracts.—For the first tested year after the effective date of this Act, each district shall submit a Curriculum-Opportunity Contract on the schedule set by the State Education Agency.

(c) Interim compliance.—Pending approval of a first contract, each district shall continue to provide protected-domain access, service continuity, and assessment limitations consistent with this Act and any interim guidance issued by the State Education Agency.

(d) Existing records.—A district may use existing attendance, enrollment, service, and assessment records to satisfy initial reporting obligations if the State Education Agency determines that the records are substantially equivalent to the required format.

(e) Training.—The State Education Agency shall make implementation training available to districts, teachers, principals, auditors, and support providers.

(f) Grace period for form compliance.—If the State Education Agency determines that a district has made a good-faith effort to use the required templates and forms but has not fully complied due solely to transition timing, the State Education Agency may allow a short, bounded correction period not exceeding the period established by rule.

(g) No delay of substantive duties.—No transition provision shall be construed to delay substantive duties concerning service continuity, record integrity, or the prohibition on excess accountability assessment time.

SECTION 25. SEVERABILITY.

(a) Severability.—If any provision of this Act is held invalid, the invalidity shall not affect other provisions that can be given effect without the invalid provision.

(b) Remaining provisions in force.—The remaining provisions shall remain in force to the fullest extent permitted by law.

(c) Construction after invalidity.—Courts and agencies shall construe the Act to preserve valid contract, quota, remediation, reporting, appeal, and enforcement provisions where possible.

SECTION 26. EFFECTIVE DATE.

(a) Effective date.—This Act shall take effect on July 1 following enactment, or on such later date as may be necessary to permit rulemaking, if a later date is expressly provided in the enacting legislation.

(b) Applicability.—Unless otherwise provided in subsection (c), this Act shall apply beginning with the first tested year that commences on or after the effective date.

(c) Immediate effect for rulemaking and transition.—Sections concerning rulemaking, template publication, transition, and preparation for implementation shall take effect immediately upon enactment to the extent necessary to prepare for the first tested year.

(d) Ongoing obligations.—All duties imposed by this Act shall continue in effect until amended or repealed by law.

Analytical Comparison

The generated bill creates curriculum-opportunity contracts, assessment quotas, access guarantees, audits, and support-oriented corrective plans. It moves away from rigid proficiency-threshold sanctions, though it remains more process-and-access focused than a fully growth-based accountability system.

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