



State of Rhode Island

Department of State | Office of the Secretary of State

Gregg M. Amore, Secretary of State

February 27, 2024

Honorable Joseph J. Solomon, Jr., Chair
House Committee on Corporations

RE: In support of H7424 - An Act Relating to Commercial Law - General Regulatory Provisions - Filing of Assumed Name

Dear Chair Solomon,

I am writing today in support of House Bill 7424 legislation, which makes necessary amendments to allow the centralized filing of a “trade name” at the Department of State.

The Department of State’s Business Services Division seeks to support and strengthen Rhode Island businesses, regardless of their size. A small business’s name is central to its brand and identity – which are key to the business’s success. Entrepreneurs often seek to protect their business name by filing a trade name registration.

Currently, each city and town administers trade name registrations differently. Municipalities are not required to have an electronic filing system, and most retain paper records, making trade names less accessible to the public. Additionally, business owners are not required to cancel a trade name that is no longer in use, and municipalities are not permitted nor required to remove an inactive registration. As a result, the current trade name registration process has created 39 independent record sets, few of which are readily searchable by members of the public, and most of which contain critically outdated information.

This legislation will improve the trade name registration process by establishing a centralized portal for business entities, such as sole proprietorships and general partnerships, to register and update their trade name status in person and online through the Secretary of State’s office.

Should this legislation pass, we would be able to modernize our business registration infrastructure by:

- (1) Allowing new potential business owners live access to determine whether their business name is already in use in the state.
- (2) Enabling the Business Services Division at the Department of State to collect and maintain accurate data regarding all businesses operating in the State. This centralized and consistently updated data will be particularly beneficial for policymakers, as the Department of State could provide comprehensive data covering the entire state’s business landscape.
- (3) Encouraging better communication with our businesses attributed to consistently updated information from a central database that allows the Business Services Division to share important information with all businesses.

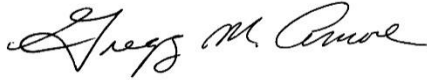
In addition, the legislation establishes a fixed time and procedure for the transfer of assumed business name records from the municipalities to the Department of State. To ensure the accurate and successful transfer of existing records to the Department of State, it is in the best interest of our business community to ensure cities and towns have ample time to collect and transfer their records into the new centralized database. Through the

administration of an annual renewal process for trade name registrations, the Business Services Division can also ensure that the new database has accurate and reliable information.

I urge the Members of the Committee to support House Bill 7424 as it will ensure that new businesses and policymakers alike have a reliable source of information on existing trade names through a centralized and holistic database housed at the Department of State.

Thank you for your consideration. If you have any questions, please feel free to contact Michelle Arias, Director of Intergovernmental Affairs, at marias@sos.ri.gov.

Sincerely,

A handwritten signature in cursive script that reads "Gregg M. Amore".

Gregg M. Amore
Secretary of State

cc: The Honorable Members of the House Committee on Corporations
The Honorable Evan P. Shanley