



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Rhode Island

DATE: April 24, 2024

TO: Chair Representative Robert E. Craven, 1st Vice Chair Representative Carol Hagen McEntee, 2nd VP Representative Jason Knight, and Committee Members

FROM: American Council of Engineering Companies of Rhode Island (ACEC-RI)

RE: Engineering Industry Association Opposes House Bill 7054 – Payment of Wages

Dear Chair Craven, Vice Chairs McEntee and Knight and Committee members:

ACEC-RI, which represents over fifty (50) engineering firms in Rhode Island employing 800 plus Rhode Island workers who provide engineering services to the State of Rhode Island, respectfully opposes House Bill 7054 – which makes a contractor liable for debts owed by a subcontractor to its employees or third parties on the wage claimants behalf.

This bill essentially makes a contractor the insurer for the wage debts of its subcontractors even though the contractor has paid the subcontractor in full. It also makes the contractor jointly and severally liable for its subcontractors' wage claims including statutorily imposed damages, attorneys' fees and costs arising out of the employees claim against the subcontractor. Joint and several liability is imposed under law when both parties jointly share responsibility for the claim. In this instance, a contractor who has fully complied with its payment obligations to the subcontractor will share equal liability for the debt of the subcontractor though they are not in breach of contract and have not committed any unlawful act. An innocent contractor could be made to pay twice the amount of what was originally owed and incur the costs of defending a claim and paying the employee's attorneys fee. The bill contains no exception for contractors who have fully paid their subcontractors in good faith.

We appreciate your thoughtful consideration of our concerns, and respectfully urge you not to move forward with House Bill 7054.

Sincerely,
/s/ Dorothy S. Davison

Executive Director
ACEC-RI

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