



April 24, 2024

The Honorable Robert Craven, Sr.
Chairman, House Judiciary Committee
Rhode Island State House
Providence, RI 02903

RE: H.7054, An Act Relating to Labor and Labor Relations – Payment of Wages

Dear Chairman Craven and Committee Members,

The undersigned members of the Rhode Island Business Coalition would like to express our opposition to H.7054, An Act Relating to Labor and Labor Relations – Payment of Wages.

H.7054 creates contractor liability for any unpaid wages, benefits, holiday pay or sick pay due to employees of subcontractors or to third-parties. An employee can choose to file a civil complaint or to file a complaint with the Department of Labor to gain relief. If the employee chooses the civil complaint route, that employee can be represented by another person, an organization or collective bargaining agent. If an employee files a wage action against a subcontractor, the contractor is jointly and severally liable for the actions of the subcontractor.

Put simply, H.7054 would require the contractor to pay twice if the contractor paid the subcontractor prior to the employee filing against a subcontractor for nonpayment. Under this scenario, the contractor would also be liable for fines and penalties levied against the subcontractor. This is simply unjust. The doctrine of joint and several liability originated from the concept that “the act of one is the act of all.” If the contractor has paid the subcontractor and the subcontractor fails to pay employees then the act of the subcontractor was not “the act of all” and should not be treated as such.

For those reasons, the members of the Coalition oppose the passage of H.7054 and urge this committee to take no action.

Sincerely,

Associated Builders and Contractors, Rhode Island
American Council of Engineering Companies of RI
East Greenwich Chamber of Commerce
Energy Marketers Association Rhode Island
Greater Newport Chamber of Commerce
National Federation of Independent Business
Rhode Island Beverage Association
Rhode Island Builders Association
Rhode Island Business Group on Health
Rhode Island Manufacturers Association
Rhode Island Marine Trades Association
Rhode Island Mortgage Bankers Association
Rhode Island Small Business Economic Summit Regulations Committee
Rhode Island Small Business Economic Summit Tax and Budget Committee
Rhode Island Society of Certified Public Accountants
Rhode Island Staffing Association
Sustainable Benefits Strategies, LLC