



**Champion Advocacy
Associates**

March 27, 2024

The Honorable Arthur Corvese
House Labor Committee
State House
Providence, RI 02903

Dear Chairman Corvese and Committee Members:


The Northern RI Chamber of Commerce (NRICC) represents businesses in the communities of Burrillville, Central Falls, Cumberland, Foster, Glocester, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Scituate, Smithfield and Woonsocket.

The Chamber is opposed to the passage of H.7788, An Act Relating to Labor Relations – Minimum Wages. This bill would dramatically change the operations of many companies and many sole proprietors in the state. H.7788 changes the definition of “employee” for the purposes of workers’ compensation, unemployment insurance and TDI qualification. It proposes to adopt what is sometimes referred to as the “ABC” test. A person would be deemed an “employee” unless the person can meet **all three** tests: (1) the person is free from control and direction of the hiring entity (2) *the person performs work that is outside the usual course of the hiring entity’s business*; AND (3) the person is customarily engaged in an independently established trade, occupation or business of the same nature as that involved in the work performed.

Use of the ABC test would make it very difficult for some professions to work as an independent contractor. For example, an independent computer technology person could not work as an independent contractor for any business that has an IT person already on staff (even if that person is out on family leave), since it would not qualify as outside the usual course of business. Any business with a government affairs staff person, would likely not be able to hire an independent lobbyist. It is difficult to imagine all of the possible contractors that may get swept up and reclassified as an employee of multiple businesses, meaning multiple businesses would pay workers compensation, unemployment compensation and TDI for the same person. The third prong of the test allows independent contractors to be hired if that trade is an established trade or occupation customarily known for having independent contractors. The third part of the test gives no assistance to emerging technology and innovation.

Many individuals want to work for themselves – for many it is a part of the American dream. H.7788 denies these individuals of that opportunity. The Chamber urges the committee to reject the passage of H.7788.

Respectfully,


Lenette Forry-Menard
Legislative Lobbyist

10 Lincoln Drive, North Smithfield RI 02896

tel. (401) 374-0456

fax (401) 597-5977

lenetteforry@gmail.com