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Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business
Regarding House Bill No. 5132
Relating to Labor and Labor Relations – Workplace Psychological Safety Act
February 12, 2025

Chairman Corvese and Members of the House Committee on Labor:

My name is Christopher Carlozzi. I am the Rhode Island State Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation's and Rhode Island's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in Rhode Island, I want to raise serious concerns with House Bill No. 5132 as drafted.

Proponents of this bill claim that existing discrimination laws do not cover workplace bullying incidents and this legislation will remedy the oversight. But this bill is an extreme resolution to a problem that is truly rare in a small workplace. They create a new private cause of action in an already litigious society when similar torts such as intentional infliction of emotional distress and interference with contractual relationships are readily available. And state laws and regulations concerning employment discrimination and harassment are currently utilized, and in place.

This bill will lead to baseless accusations and cost business owners time and money dealing with unnecessary lawsuits and may be devastatingly expensive. It could result in actual workplace incidents being overlooked due to the sheer volume of cases that may arise from the vague and interpretive language in this bill. This proposal would make the business owner accountable, even if the owner was not fully aware of the situation. The party filing the claim can also seek damages, including punitive damages, for lost wages, emotional distress, and other claims of injury.

This bill is needless and meddlesome legislation that will only lead to more litigation, increased frivolous lawsuits, and higher costs for the state's small businesses. House Bill No. 5132 will end up hurting both workers and employers, likely resulting in an overly hostile work environment. The only group who may reap the benefits of this bill are the trial lawyers, creating a cottage industry for these types of workplace-related lawsuits. The legislation presumes that employees were treated unfairly and places the burden of proof on employers to demonstrate an affirmative defense after following a

laundry list of criteria. Its vague language leaves employers with more risk and at a legal disadvantage, where the costs of litigation and defense mean the small business owner is a financial loser the moment the lawsuit is filed.

The legislation also creates a new mandate for employers for a workplace plan. It requires all businesses to develop a new procedure, submit documentation to OSHA, report information to OSHA, including wage and salary data. This will prove especially burdensome for smaller businesses that do not have human resource departments or the staff to comply with these added filing requirements.

Small businesses in Rhode Island have endured enough hardship over the past few years, the last thing employers need right now is to spend their time, money and energy fending off the frivolous lawsuits and compiling data. Their time is better spent creating new jobs and leading the state's economic recovery. I strongly urge you to reject House Bill No. 5132, an extremely punitive proposal that will negatively impact struggling Rhode Island small businesses. Thank you.