



**Champion Advocacy
Associates**

February 12, 2025

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

Dear Chairman Corvese 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 the passage of H.5366, An Act Relating to Labor and Labor Relations – Payment of Wages. This bill makes a contractor liable for debts owed by a subcontractor to its employees or third parties on the wage claimant's 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 employees attorneys' fee. The bill contains no exception for contractors who have fully paid their subcontractors in good faith.

ACEC-RI appreciates your thoughtful consideration of its concerns, and respectfully urges you not to move forward with H.5366.

Thank you for your consideration of our request. If you have any questions, please contact me at 401-374-0456.

Respectfully,


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