



February 12, 2025

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

Re: H.5366, An Act Relating to Labor and Labor Relations – Payment of Wages

Dear Chairman Corvese,

The undersigned members of the Rhode Island Business Coalition would like to express our opposition to H.5366, An Act Relating to Labor and Labor Relations – Payment of Wages.

H.5366 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.5366 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.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

For those reasons, the members of the Coalition oppose the passage of H.5366 and urge this committee to take no action.

Sincerely,

American Council of Engineering Companies of Rhode Island

Associated Builders and Contractors of Rhode Island

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

National Federation of Independent Business

North Kingstown Chamber of Commerce

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

Rhode Island Staffing Association

Small Business Economic Summit Tax and Budget Committee

cc. House Labor Committee members