



**Champion Advocacy
Associates**

March 19, 2025

The Honorable Arthur Corvese
Chairman, House Committee on Labor
Rhode Island State House
Providence, RI 02903

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. We write to respectfully oppose the passage of H.5940, An Act Relating to Labor and Labor Relations – The Rhode Island Opportunity for Employee Ownership Act.


H.5940 requires a majority of businesses in Rhode Island to give all full-time and part-time employees seven-days-notice of an intent to sell all or at least 51% of the business. This requirement applies to every business employing between three and five hundred employees that is privately held and not a publicly traded company. It also exempts pass through entities. Once the notice is given, the employees have thirty days to respond with an intent buy notice, not an offer to purchase. If the employees form a group and give the owner an intent to buy notice, they then have 180 days to determine what they believe the value of the business to be before making an actual offer.

This process is unfair to the business owner who has worked to build a business. The business is a person's asset and a state requirement to hold the asset for up to seven months and dictate who receives initial rights to purchase that asset could deter other potential buyers from coming forward. Who wants to put time and effort into evaluating a business if another buyer gets basically a first right of refusal?

H.5940, while well meaning, will become a deterrent to starting and growing a business in Rhode Island.

For these reasons, The Northern RI Chamber of Commerce asks the committee to take no action on H.5940.

Respectfully,


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