



April 4, 2024

Honorable Robert Craven, Sr.  
Chairman, House Judiciary Committee  
Rhode Island State House  
Providence, RI 02903

RE: H.7830, An Act Relating to State Affairs and Government–Department of Attorney General

Chairman Craven and Committee Members,

The undersigned members of the Rhode Island Business Coalition respectfully oppose the passage of H.7830, An Act Relating to State Affairs and Government–Department of Attorney General.

This legislation expands the authority of the Attorney General and has the potential to override safeguards that the business community fought hard to include during the debate to expand the Attorney General's powers under the Deceptive Trade Practices Act.

Title 6-13.1-1 outlines twenty (20) specific actions that, if undertaken by a business, allows the Attorney General to take action against that business. Title 6-13.1-4 provides protection for businesses that are regulated by another agency. The statute reads:

***6-13.1-4. Exemptions.***

*(a) Nothing in this chapter shall apply to actions or transactions permitted under laws administered by the department of business regulation or other regulatory body or officer acting under statutory authority of this state or the United States.*

*(b) For actions brought by the attorney general, the exemption in subsection (a) applies only if the person claiming the exemption shows that:*

*(1) The person's business activities are subject to regulation by a state or federal agency; and*

*(2) The activity or conduct is in compliance with orders, including insurance bulletins, or rules of, or a statute administered by, a federal or state government agency.*

H.7830 creates an additional power to regulate fraud under Title 42, not Title 6. It creates a new definition of fraud, not found in other state statutes, and gives the Attorney General authority to

prosecute under this new broad fraud definition. Because this new authority falls outside Title 6, it would appear the protections afforded businesses acting in accordance with regulations set by other state agencies disappears if the Attorney General deems an activity to fall under the broad definition of fraud and is persistent or repeated. Under H.7830, “repeated” could simply mean that the activity touched “more than one person.”

Lastly, H.7830 offers a new penalty to the Attorney General. The language on page 1, lines 17 and 18 adds the penalty of “cancelling any certificates filed under and by virtue of the provisions of 7-1.2-201.” This section refers to a business’s Articles of Incorporation. H.7830 allows the Attorney General to ask for restitution, damages, civil penalties of up to \$10,000 per violation, and now the surrender of the business’s ability to operate in the State of Rhode Island.

We believe the Attorney General has ample authority to currently go after unscrupulous businesses under the Deceptive Trade Practices Act. H.7830 appears to attempt to nullify the protections afforded under 6-13.1-4 and place businesses in a no-win battle between the state agencies that regulate them and the Attorney General.

Thank you for your consideration of our concerns.

Sincerely,

Associated Builders and Contractors

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

National Federation of Independent Business

North Kingstown Chamber of Commerce

Rhode Island Association of REALTORS®

Rhode Island Bankers Association

Rhode Island Beverage Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trades Association

Rhode Island Partnership for Home Care

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Staffing Association

Sustainable Benefits Strategies, LLC