



February 26, 2026

The Honorable Carol Hagan McEntee, Chairwoman
House Judiciary Committee
State House
Providence, RI 02903

Re: H.7645, An Act Relating to Courts and Civil Procedure – Procedure in Particular Actions - Arbitration

Dear Chairwoman McEntee,

The undersigned members of the Rhode Island Business Coalition write in support of H.7645, An Act Relating to Courts and Civil Procedure – Procedure in Particular Actions - Arbitration. We thank you for introducing this legislation that will make arbitration more accessible as an alternative to litigation.

In 2024, legislation passed making significant changes to the arbitration statute. The revisions make it easier to avoid arbitration and go straight to court to resolve intellectual property, trade secrets or other disputes. Among the changes:

- Requiring the party that drafted the arbitration agreement (basically the business or employer) to pay certain fees and costs before the arbitration can proceed unless the agreement specifically states costs to be split equally.
- These fees must be paid “within 30 days” after the “due date” otherwise the party is considered to be in breach of the arbitration agreement.
- Awarded remedies to the employee/consumer if the employer/business fails to meet the arbitration 30-day payment rule, or if the payment due date of an arbitration invoice during the arbitration process is late.

The above changes make it more difficult for employers to enter into arbitration rather than have to defend themselves in the much more costly court system. Even an arbitration payment that is one day late could lead to a breach of agreement and subject an employer to additional costs and litigation.

House bill 7645 looks to address some of these issues and bring some balance back to the arbitration process. The bill does the following:

- Exempts arbitration agreements governed by the Federal Arbitration Act (FAA) cited as 9 U.S.C. sections 1-16. This California Supreme Court issued a ruling on last year, however it is expected that this decision maybe appealed to the US Supreme Court. It will take time for the cases to wind their way through this process, so we recommend inserting language to exempt agreements that fall under the FAA until such time as the courts finally decide the issue.

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

- Increases the number of days a party has to apply to stay the arbitration from 20 days to 180 days after receipt of notice of intention to arbitrate.
- States that in the event a provision of an arbitration agreement is ruled illegal, only that provision is null and void. The current law declares the entire agreement null and void.
- Changes the deadline for payment to the arbitration party. The current law states that it must be “paid” 30 days after receipt of the payment due date. This bill deems in compliance a payment “sent” within 30 days of the due date. The bill further allows the drafting party to cure a default of payment within 15 days after the party receives a notice of default. Finally, a drafting party can file an action in court or a motion in arbitration to challenge whether the notice of default was proper.

Thank you for your consideration of our position and we ask the committee to support H.7645.

Sincerely,

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

Northern Rhode Island Chamber of Commerce

David Chenevert, Chairman, Rhode Island Business Coalition

Rhode Island Builders Association

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Marine Trade Association

Rhode Island Small Business Economic Summit Regulations Subcommittee

Rhode Island Small Business Summit Tax and Budget Committee

Rhode Island Staffing Association

cc. House Judiciary Committee members