

March 18, 2025

The Honorable Rep Arthur Corvese
Rhode Island State House
Providence, RI 02903

Subject: Opposition to Rhode Island House Bill 5940 & Senate Bill 752

Dear Chairman Corvese and Committee Members,

I am writing on behalf of [Your Business Name], a small manufacturing business that has been operating in Rhode Island for the past six years. We strongly oppose House Bill 5940 and Senate Bill 752, which mandate an employee-notification and sale process that could significantly hinder small businesses like ours.

While we recognize the value of employee ownership in certain circumstances, these bills place undue burdens on business owners, especially small businesses that may not have the financial or operational capacity to comply with such complex regulations.

Our main concerns include:

1. **Limiting Business Owners' Rights** – The proposed requirement to notify employees of an intent to sell and offer them a right of first refusal interferes with an owner's ability to negotiate freely and privately in the best interests of the business, its employees, and its future.
2. **Increased Administrative and Legal Burdens** – Compliance with these regulations would require additional legal and financial expenses, which are especially challenging for a small business like ours. The process of valuation, negotiation, and regulatory compliance is costly and could deter business owners from selling or transitioning their companies effectively.
3. **Reduced Flexibility in Business Transitions** – Many small business owners rely on a variety of transition options, including selling to competitors, merging with strategic partners, or passing ownership within a family. These bills create unnecessary roadblocks that may discourage entrepreneurs from doing business in Rhode Island.
4. **Impact on Business Value and Marketability** – The mandatory employee notice period and other restrictions could drive away potential buyers, limit competitive bidding, and ultimately reduce the overall value of businesses for owners looking to retire or transition.

As a growing business, we need policies that support entrepreneurship, economic growth, and flexibility in business succession—not policies that impose additional government control over private enterprises. We urge you to oppose House Bill 5940 and Senate Bill 752 and instead focus on legislation that empowers businesses to succeed while respecting their autonomy.

Thank you for your time and consideration. I would welcome the opportunity to discuss this matter further and share how it directly impacts our business and employees.

Sincerely,

Michael Sitkin

Michael Sitkin
Managing Member
Work Ready Truck, LLC

CC:

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