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Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business
In Opposition to House Bill No. 5506
Relating to Labor and Labor Relations – Labor Relations Act
Before the House Committee on Labor
April 2, 2025

Chairman Corvese and Members of the House Committee on Labor:

My name is Christopher Carlozzi. I am the Rhode Island State Director of the National Federation of Independent Business (NFIB). A non-profit, non-partisan organization, NFIB is the nation's and Rhode Island's largest small business advocacy group. In Rhode Island, NFIB represents hundreds of small and independent business owners involved in all types of industry, including manufacturing, retail, wholesale, service, and agriculture. The average NFIB member has five employees and annual gross revenues of about \$450,000. In short, NFIB represents the small Main Street business owners from across the state. On behalf of those small and independent business employers in Rhode Island, I urge you to oppose House Bill No. 5506, placing speech limitations on employers.

This legislation, while claiming to protect free speech, would actually create constraints on the free speech rights of Rhode Island employers. The language in this bill prohibits employers from discussing legislation that could impact the operation of a small business, along with the job security of their workforce. This would include communicating how regulations, as well as union organizing efforts, will affect a small business and the workers' jobs.

Additionally, a similar piece of legislation adopted in Connecticut now faces a federal lawsuit. The plaintiffs argue that the law violates the guarantee of free speech and equal protection rights under the Constitution. The plaintiffs in the case also state that Connecticut's law conflicts with First Amendment and NLRA precedents regarding employer free speech rights. In 2008, a similar California law was challenged in *Chamber of Commerce of the U.S. v. Brown* and the Supreme Court struck down the law (7-2). The Court states it was preempted by federal law.

In June of 2023, a federal judge denied the state of Connecticut's motion to dismiss the challenge to the Connecticut law. The case against the Connecticut law states "liability, penalties and other administrative actions" against small businesses who "exercise their federal constitutional and statutory rights to talk to employees against political issues, including the decision to join or support any... labor organization." Senate Bill No. 2785 includes similar penalties stating employers "shall be

liable to such employee for damages caused by such discipline or discharge, including punitive damages, and for reasonable attorney's fees as part of the cost of any such action for damages...".

Rhode Island should not even consider advancing this legislation until the courts decide whether this proposal is even legal. Minnesota has recently filed a suit similar to Connecticut and the handful of other states that passed this legislation (ME, NY) will also likely file legal challenges. Rhode Island should anticipate a similar legal challenge if House Bill No. 5506 becomes law. I strongly urge you to reject these potentially unlawful bill that limits an employer's ability to communicate vital information in the workplace. Thank you.