

April 2, 2025

Honorable Arthur J. Corvese Chairman, House Labor Committee Rhode Island State House 82 Smith Street Providence, RI 02903

RE: H5944 - AN ACT RELATING TO HOLIDAYS AND DAYS OF SPECIAL OBSERVANCE - HOLIDAYS AND SUNDAYS

Dear Chairman Corvese and Honorable Members of the House Labor Committee:

As the Executive Director of Rhode Island Business Leaders Alliance (the "Alliance"), I am grateful for the opportunity to provide the House Labor Committee with this written testimony in support of H5944 - AN ACT RELATING TO HOLIDAYS AND DAYS OF SPECIAL OBSERVANCE - HOLIDAYS AND SUNDAYS, which re-defines an "employer" for purposes of Rhode Island's Sunday and holiday premium pay law for non-retail employers to those who employ fifteen (15) or more employees.

The Alliance supports common sense legislative efforts that make it easier to do business here in Rhode Island–particularly for small businesses that are the backbone of our state's economy. Since the COVID-19 pandemic, small businesses across Rhode Island have faced unprecedented economic challenges, including stubborn inflation, dramatic year-over-year increases in utility costs, lingering supply chain disruptions, a highly competitive labor market, and rising interest rates. For this reason, the Alliance supports H5944 as it seeks to reform Rhode Island's antiquated, outdated, and anti-competitive Sunday and holiday premium pay laws, thereby reducing the cost of doing business for small employers with fewer than fifteen (15) employees.

When Massachusetts finally phased out its Sunday and holiday premium pay requirements on January 1, 2023, Rhode Island earned the dubious distinction of becoming the <u>only state in the country</u> to require most employers to pay premium pay to non-exempt employees for hours worked on legal holidays. We are now a national outlier.

Many small businesses choose not to open on Sundays and legal holidays or limit business hours to avoid the burden and expense of paying time and a half to their non-exempt employees. It is simply too expensive to open their doors.

If Rhode Island is going to compete with neighboring Connecticut and Massachusetts to attract new business development and to retain businesses that are considering relocating to states with more favorable business climates, drastic action is required. Rhode Island cannot build an economy focused on meeting the challenges and opportunities of the 21st Century if our small businesses are overburdened by laws—like our Sunday and holiday premium pay laws—that are making Rhode Island less competitive than surrounding states or, in this case, every other state in the United States.

In closing, it is worthwhile to note that H5944 balances the interests of small business owners in obtaining relief from burdensome employer mandates with the interests of organized labor in negotiating collective bargaining agreements that require time and half pay for Sunday and holiday work. H5944 would reduce operating costs for small businesses at a time when many are struggling to keep their doors open, while providing labor unions with the flexibility that they need to advocate for their members. It is a win-win.

Thank you for your time and consideration, and please feel free to contact me to continue this important conversation.

Respectfully submitted by:

Gregory Tumolo

Gregory Tumolo, Executive Director Rhode Island Business Leaders Alliance