



March 5, 2026

The Honorable Arthur J. Corvese, Chairman
House Labor Committee
State House
Providence, RI 02903

Re: H.7440, An Act Relating to Labor and Labor Relations – Employment Security - Benefits

Dear Chairman Corvese,

The undersigned members of the Rhode Island Business Coalition oppose H.7440, An Act Relating to Labor and Labor Relations – Employment Security - Benefits. This bill provides unemployment insurance benefits to striking workers.

It has been a long-established practice that a Rhode Island employee is not entitled to unemployment benefits during a strike unless the individual is not a member of the striking union. During lockouts of striking employees, benefits will be awarded unless the employer is a member of a multi-employer collective bargaining group and the lockout is in response to a strike at another member's location.

H.7440 changes this balanced situation to allow all striking workers to collect unemployment benefits during a strike. The change swings the pendulum in favor of striking employees by providing them a source of income, other than income provided by the union members themselves, in order to draw out the strike, placing financial pressure on the employer to concede to contract offerings put forward by the union. The current law provides financial pressure on both sides in order to encourage negotiations to move toward a speedy agreement.

Rhode Island's unemployment tax system was ranked 48th out of 50 by the Tax Foundation. In its 2026 report, the Foundation said, "The states with the worst UI taxes are New Jersey, Rhode Island, Hawaii, Minnesota, Washington, and Colorado."

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

H.7440 creates a new benefit “add-on” which directly increases the cost of unemployment insurance and places Rhode Island at an even greater disadvantage.

For these reasons, we request that you take no further action on this legislation.

Sincerely,

Associated Builders and Contractors – Rhode Island Chapter

David Chenevert, Chairman, Rhode Island Business Coalition

East Greenwich Chamber of Commerce

National Federation of Independent Business

Rhode Island Bankers Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Marine Trade Association

Rhode Island Staffing Association

Rhode Island Small Business Economic Summit Regulations Committee

Rhode Island Small Business Economic Summit Tax and Budget Committee

cc. House Labor Committee members