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## Testimony of

Christopher Carlozzi, State Director, National Federation of Independent Business  
Regarding House Bill No. 7964  
Relating to Labor and Labor Relations – The RI Opportunity for Employee Ownership Act  
March 30, 2026

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 want to raise concerns with House Bill No. 7964, regarding employee ownership.

First, let me say what NFIB members are not against. Small business owners do not oppose employee stock ownership like ESOPs or other arrangements that allow and encourage workers to invest in and take ownership of the companies where they work, particularly when the company is contemplating closure whether as a result of financial struggles, ownership retirement, or any other reason.

But, as currently drafted, the proposed legislation presents, indeed mandates, significant bureaucratic barriers for small businesses which will adversely impact the state's economy and individual economic opportunities. This legislation essentially provides workers a 30-day right of first refusal before the business can be sold publicly. Frankly, the interference with a small business owner's constitutional contractual rights and the free conduct of commerce is breathtaking.

The ability of a small business owner to recover some of their capital investment into the business through sale of the closely held business can often be extremely limited. Even after the business owner has assumed great risk and after decades of financial investments and sweat equity, the added burdens imposed by this legislation prior to any sale would further impede the ability of a small business owner to recover his or her investment for retirement income or for reinvestment in a new entrepreneurial venture.

State policymakers should not be placing barriers to sale transactions for small business owners, especially when those sales are so difficult to conclude in the first place. Furthermore, these types of

restrictions are sure to discourage startups and other entrepreneurial ventures in Rhode Island, thus further depressing small business job growth and opportunities.

For all of these reasons, NFIB, representing hundreds of small business owners across the state, opposes House Bill No. 7964. When it comes to encouraging employee ownership, NFIB much prefers House Bill No. 7570 that does not put such onerous restrictions on employers.