



March 30, 2026

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

Re: H.7964, An Act Relating to Labor and Labor Relations – The Rhode Island Opportunity for Employee Ownership Act

Dear Chairman Corvese,

The undersigned members of the Rhode Island Business Coalition oppose the passage of H.7964, An Act Relating to Labor and Labor Relations – The Rhode Island Opportunity for Employee Ownership Act. The bill would require business owners to offer their employees the opportunity to purchase a business that is up for sale.

We understand the intent behind the bill to provide employees with a potential ownership stake and ensure they have an opportunity to be a part of a business's future, and appreciate the changes included in this year's version. However, we are still concerned regarding providing employees with an exclusive opportunity to purchase the business.

Successful business owners take risks and often overcome obstacles along the way to build their businesses. Should they consider selling their business they should have the ability to make this decision without unnecessary government intervention.

H.7964 states that the employees must be notified that they have an exclusive 30-day window to potentially buy the business as an employee group. This not only undermines their autonomy but also imposes unnecessary burdens on them during an already complicated and sensitive process. For many owners, the decision to sell a business involves numerous factors, including personal considerations, market conditions, and the best interests of the company. Forcing them to offer ownership to employees could complicate this process and lead to unnecessary delays.

The requirement to offer employees a chance to buy the business complicates what is already a challenging process. Selling a business involves legal, financial, and logistical considerations, and adding the step of mandatory employee offers creates additional layers of complexity. For business owners looking to retire or transition to new ventures, this mandate could lengthen the sales process, resulting in lost opportunities and

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

potential financial strain. Also, if the offer is declined, the process will be delayed further, adding to the already cumbersome paperwork and negotiation processes.

Forcing business owners into a prescribed course of action could slow down the sale process and discourage potential buyers from entering the state. In addition, the uncertainty introduced by such legislation could make Rhode Island less attractive for new businesses looking to establish roots in the state.

The Coalition believes there is an opportunity to provide additional resources and guidance to business owners regarding business succession. In fact, last week we testified in support of House bill 7570 that would establish a Rhode Island Center for Employee Ownership, which would be a resource for businesses looking to transition to an employee-owned business model. We believe this is a more effective approach to assist businesses and employees to transitioning the ownership of a business and preserving jobs in Rhode Island.

Thank you for your consideration of our position on H.7964.

Sincerely,

David Chenevert, Chairman, Rhode Island Business Coalition

East Greenwich Chamber of Commerce

Greater Newport Chamber of Commerce

National Federation of Independent Business

Northern Rhode Island Chamber of Commerce

Propane Gas Association of New England

Rhode Island Builders Association

Rhode Island Hospitality Association

Rhode Island Lumber and Building Materials Dealers Association

Rhode Island Marine Trades Association

Rhode Island Small Business Economic Summit Regulations Subcommittee

Rhode Island Small Business Economic Summit Tax and Budget Committee

Rhode Island Staffing Association

cc. House Labor Committee members