



April 14, 2026

The Honorable Robert Britto, Chairman
Senate Commerce Committee
Rhode Island Senate
82 Smith Street
Providence, RI 02903

RE: LETTER OF OPPOSITION TO S.B 2778 - AN ACT RELATING TO MOTOR AND OTHER VEHICLES -- REGULATION OF BUSINESS PRACTICES AMONG MOTOR VEHICLE MANUFACTURERS, DISTRIBUTORS, AND DEALERS

Dear Chairman Britto and Members of the Committee:

We write to oppose S.B 2778 in its current form, as it contains provisions that would unfairly restrict legitimate business practices, create operational burdens, and inadvertently harm consumers.

Tesla's presence in Rhode Island demonstrates the positive impact of innovative, consumer-focused operations. With approximately 40 local employees and a growing community of 4,000 Tesla vehicle owners, the company has established a comprehensive charging infrastructure across the state. This includes seven Destination Charging (Level 2) locations with 30 ports and six Supercharger (DC Fast Charging) stations offering 48 ports—representing 13 charging stations and 78 total ports statewide. By strategically deploying this network, Tesla not only advances Rhode Island's transition to sustainable transportation but also underscores its commitment to meeting consumer demand through expanded access and diversified vehicle and charging options.

Overly Broad Definition of “Selling”

Section 31-5.1-1(15)(viii-x) classifies activities like test drives, delivery coordination, and employee compensation as “selling,” effectively banning galleries, mall kiosks, and delivery services. This stifles innovation, limits consumer access to vehicles, and in our case could discourage EV adoption by restricting flexible retail models.

Ambiguity in “New Motor Vehicle” Definition

Section 31-5.1-1(10) risks misclassifying returned vehicles as “used” even if the sale was voided and title never transferred. Vehicles returned to inventory after a canceled sale (untitled, undriven) risk misclassification as “used”. This provision would undermine trust in dealerships, devalue inventory through no fault of the seller, could create financial losses for dealers, and may result in confusion for buyers.

Impact on Service-Only Facilities

Section 31-5.1-1(11) redefines “dealers” to include repair shops, and Section 31-5.1-2(c)(i) caps businesses at three “places of business.” Standalone service centers may now count toward this limit, forcing closures and reducing customer access. This provision creates unnecessary uncertainty about standalone service centers and collision repair facilities.



We respectfully urge the Senate Commerce Committee to reject S.B. 2778 in its current form. S.B. 2778's current language contains provisions that could hinder legitimate business operations, create unintended consequences, and harm consumer choice. Thank you for your consideration.

Sincerely,

Jasmine Vasquez
Public Policy Advisor
Tesla, Inc.