

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- SMALL BUSINESS  
REGULATORY FAIRNESS IN ADMINISTRATIVE PROCEDURES

Introduced By: Senators Paolino, Rogers, de la Cruz, and E Morgan

Date Introduced: February 26, 2025

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-35.1-5 of the General Laws in Chapter 42-35.1 entitled "Small  
2 Business Regulatory Fairness in Administrative Procedures" is hereby amended to read as follows:

3 ~~42-35.1-5. Small business enforcement ombudsman~~ **Small business ombudsman.**

4 (a) The director of the department of business regulation shall ~~designate an existing staff~~  
5 ~~member as a~~ establish the position of "small business ~~regulatory enforcement~~ ombudsman," who  
6 shall report to the director of business regulation.

7 (b) The ombudsman shall:

8 (1) Work with each agency with regulatory or licensing authority over small businesses to  
9 ensure that small ~~business concerns that receive or are subject to an audit, on-site inspection,~~  
10 ~~compliance assistance effort, or other enforcement related communication or contact by agency~~  
11 ~~personnel are provided with a means to comment on the enforcement activity conducted by such~~  
12 ~~personnel~~ businesses are provided assistance regarding a regulation or enforcement activity;

13 (2) Establish means to receive suggestions, feedbacks and comments from small ~~business~~  
14 ~~concerns~~ businesses regarding ~~actions by~~ agency ~~employees conducting~~ compliance or  
15 enforcement activities;

16 (3) Within six (6) months of appointment, work with each regulating entity to develop and  
17 publish reporting policies;

18 (4) Based on ~~substantiated~~ suggestions, feedbacks and comments received from small

1 ~~business concerns~~ businesses, the ombudsman shall annually produce a public report to the general  
2 assembly ~~and affected agencies evaluating the enforcement activities of agency personnel,~~  
3 ~~including a rating of the responsiveness of the regulatory agencies policies~~ detailing the activities  
4 of the ombudsman to assist small businesses and providing legislative recommendations to improve  
5 the small business climate;

6 (5) Coordinate and report annually on the activities, findings, and recommendations to the  
7 general assembly and the directors of affected agencies; ~~and~~

8 (6) Provide the affected agency with an opportunity to comment on reports prepared  
9 pursuant to this chapter, and include a section of the final report in which the affected agency may  
10 make such comments as are not addressed by the ombudsman; and

11 (7) Provide assistance to petition an agency or licensing authority as authorized under §  
12 42-35-6.

13 SECTION 2. Section 42-35-6 of the General Laws in Chapter 42-35 entitled  
14 "Administrative Procedures" is hereby amended to read as follows:

15 **42-35-6. ~~Petition for promulgation of rules~~ Resident and Business Petition.**

16 Any ~~person~~ resident or business located in Rhode Island may petition an agency or  
17 licensing authority to ~~promulgate~~ adopt, change or repeal a rule policy or procedure. An agency  
18 shall prescribe, by rule, the form of the petition and the procedure for ~~its~~ petition, submission,  
19 consideration, and disposition. Not later than thirty (30) days after submission of a petition, the  
20 agency shall:

21 (1) Deny the petition in ~~a record~~ writing to the petitioner and ~~state its~~ justify the reasons  
22 for the denial; or

23 (2) Initiate rulemaking, policy or procedure changes.

24 (b) Rulemaking conducted under this section may be expedited by the agency or licensing  
25 authority in compliance with this chapter. A final policy change or process improvement adopted  
26 under this section shall be published with a summary and explanation on the agency's website  
27 where public notices and announcements are routinely maintained.

28 SECTION 3. Section 42-64-34 of the General Laws in Chapter 42-64 entitled "Rhode  
29 Island Commerce Corporation" is hereby amended to read as follows:

30 **42-64-34. Appointment of small business advocate.**

31 (a) ~~The director of the~~ The ombudsman created in § 42-35.1-5 shall serve as the Rhode  
32 Island commerce ~~corporation shall appoint a staff person to serve as the~~ corporation's small  
33 business advocate.

34 (b) The small business advocate shall:

1           (1) Identify and convey specific concerns raised by small business in providing notice to  
2 the state agency proposing the regulation;

3           (2) Inform businesses regarding proposed regulation that may have a significant adverse  
4 economic impact; and

5           (3) Formulate policies and procedures in accordance with chapter 35 of this title.

6           (c) The small business advocate may request from any government agency, and the agency  
7 is authorized and directed to provide, any cooperation and assistance, services, and data as will  
8 enable the small business advocate to properly perform or exercise any of the small business  
9 advocate's functions, duties, and powers under this chapter.

10           SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

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- 1           This act would expand the duties of the small business ombudsman, by also having the
- 2 ombudsman serve as the Rhode Island commerce corporation's small business advocate.
- 3           This act would take effect upon passage.

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