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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND BUSINESS CORPORATION ACT

Introduced By: Representative Stephen M. Casey

Date Introduced: February 27, 2026

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 7-1.2-1401, 7-1.2-1418 and 7-1.2-1501 of the General Laws in
2 Chapter 7-1.2 entitled "Rhode Island Business Corporation Act" are hereby amended to read as
3 follows:

4 **7-1.2-1401. Admission of foreign corporation and other entities.**

5 (a) No foreign corporation has the right to transact business in this state until it has procured
6 a certificate of authority to do so from the secretary of state. No foreign corporation is entitled to
7 procure a certificate of authority under this chapter to transact any business in this state which a
8 corporation organized under this chapter is not permitted to transact. A foreign corporation may
9 not be denied a certificate of authority because the laws of the state or country under which the
10 corporation is organized governing its organization and internal affairs differ from the laws of this
11 state, and nothing contained in this chapter authorizes this state to regulate the organization or the
12 internal affairs of the corporation.

13 (b) Without excluding other activities which may not constitute transacting business in this
14 state, a foreign corporation is not considered to be transacting business in this state, for the purposes
15 of this chapter, because of carrying on in this state any one or more of the following activities:

16 (1) Maintaining or defending any action or suit or any administrative or arbitration
17 proceeding, or effecting the settlement of the suit or the settlement of claims or disputes.

18 (2) Holding meetings of its directors or shareholders or carrying on other activities

1 concerning its internal affairs.

2 (3) Maintaining bank accounts.

3 (4) Maintaining offices or agencies for the transfer, exchange, and registration of its
4 securities, or appointing and maintaining trustees or depositaries with relation to its securities.

5 (5) Effecting sales through independent contractors.

6 (6) Soliciting or procuring orders, whether by mail or through employees or agents or
7 otherwise, where the orders require acceptance outside of this state before becoming binding
8 contracts.

9 (7) Creating, as borrower or lender, or acquiring indebtedness or mortgages or other
10 security interests in real or personal property.

11 (8) Securing or collecting debts or enforcing any rights in property securing the debts.

12 (9) Transacting any business in interstate commerce.

13 (10) Conducting an isolated transaction completed within a period of thirty (30) days and
14 not in the course of a number of repeated transactions of like nature.

15 (11) Acting as a general partner of a limited partnership which has filed a certificate of
16 limited partnership as provided in § 7-13-8 or has registered with the secretary of state as provided
17 in § 7-13-49.

18 (12) Acting as a member of a limited liability company which has registered with the
19 secretary of state as provided in § 7-16-49.

20 (c) Any “other entity”, as defined in § 7-16-5.1(a), Massachusetts trust or business trust
21 established by law of any other state, desiring to do business in this state, is deemed to be a foreign
22 corporation and is required to register under, and comply with the provisions of, this chapter.

23 (d) For purposes of this chapter, a foreign corporation may be deemed to be transacting
24 business in this state regardless of whether the foreign corporation maintains a physical presence
25 in this state.

26 (e) For purposes of this chapter, “physical presence” means maintaining an office, place of
27 business, warehouse, employees, or physical agents regularly present within this state, owning or
28 leasing real property within this state, or otherwise having a fixed location within this state. The
29 absence of a physical presence does not, by itself, exempt any foreign corporation from the
30 requirement to procure a certificate of authority prior to transacting business in this state.

31 (f) Notwithstanding subsection (b) of this section, a foreign corporation that does not
32 maintain a physical presence in this state, as defined in subsection (e) of this section, shall be
33 deemed to be transacting business in this state if it advertises, offers, provides, performs,
34 administers, or arranges for services to be performed for persons in this state, or if it receives

1 compensation, directly or indirectly, for services provided to persons in this state or for services
2 performed in this state. This subsection includes, without limitation, insurers and all persons or
3 entities performing insurance claim handling services affecting risks, claims, or property in this
4 state, as such terms are defined in § 6-13.1-1, and applies regardless of any license, registration,
5 certificate of authority, appointment, or other authorization issued by the department of business
6 regulation or any other agency of this state.

7 (g) A foreign corporation that maintains a physical presence in this state, as defined in
8 subsection (e) of this section, is subject to the requirements of this chapter only if it engages in
9 business activities beyond those enumerated in subsection (b) of this section.

10 (h) For purposes of this section, "insurance claim handling services" means activities
11 including, but not limited to, acting as an appraiser, adjusting, appraising, determining causation,
12 estimating, evaluating, inspecting, investigating, negotiating, recommending repair or replacement,
13 scoping, or settling an insurance claim, performed by an insurer or any person or entity acting
14 directly or indirectly on behalf of or at the direction of an insurer.

15 **7-1.2-1418. Transacting business without certificate of authority.**

16 (a) No foreign corporation transacting business in this state without a certificate of
17 authority is permitted to maintain any action, suit, or proceeding in any court of this state, until the
18 corporation has obtained a certificate of authority. Nor may any action, suit, or proceeding be
19 maintained in any court of this state by any successor or assignee of the corporation on any right,
20 claim, or demand arising out of the transaction of business by the corporation in this state, until a
21 certificate of authority has been obtained by the corporation or by its successor.

22 (b) The failure of a foreign corporation to obtain a certificate of authority to transact
23 business in this state does not impair the validity of any contract or act of the corporation, and does
24 not prevent the corporation from defending any action, suit, or proceeding in any court of this state.

25 (c) A foreign corporation which transacts business in this state without a certificate of
26 authority is liable to this state, for the years or parts of years during which it transacted business in
27 this state without a certificate of authority, in an amount equal to all fees and franchise taxes which
28 would have been imposed upon the corporation had it duly applied for and received a certificate of
29 authority to transact business in this state as required by this chapter and subsequently filed all
30 reports required by this chapter, plus all penalties imposed by this chapter for failure to pay the fees
31 and franchise taxes (collectively, the "arrearage"). In addition, the foreign corporation shall be
32 liable for an additional civil fee equal to the total amount of said arrearage. The attorney general
33 may bring proceedings to recover all amounts due this state under the provisions of this section.

34 (d) The superior court has jurisdiction to enjoin any foreign corporation, or any agent of a

1 foreign corporation, from transacting any business in this state if the corporation fails to comply
2 with any section of this chapter applicable to it or if the corporation secured a certificate of the
3 secretary of state under §§ 7-1.2-1405 and 7-1.2-1406 on the basis of false or misleading
4 representations. The attorney general may, upon motion or upon the relation of proper parties,
5 proceed for this purpose by complaint in any county in which the corporation is doing business.

6 (e) Except as provided in this subsection, a foreign corporation that transacts business in
7 this state without a certificate of authority shall, in addition to the amounts due under subsection
8 (c) of this section, shall be subject to a civil penalty of three hundred dollars (\$300) for each month
9 or part thereof during which it transacts business in this state without a certificate of authority. This
10 monthly civil penalty shall not apply if the foreign corporation procures a certificate of authority
11 not later than ninety (90) days after the foreign corporation commenced transacting business in this
12 state. The burden of proving the date of commencement and eligibility for this exception shall be
13 on the foreign corporation.

14 (f) In addition to the monthly civil penalty in subsection (e) of this section, the secretary of
15 state may assess an enhanced civil penalty not to exceed twelve percent (12%) of the gross receipts
16 generated from conducting business activities in this state during the period of noncompliance. For
17 purposes of this subsection, “gross receipts” includes all compensation, fees, premiums,
18 commissions, or other consideration received, directly or indirectly, from persons in this state or
19 for services performed in this state. If the foreign corporation fails to produce records sufficient to
20 determine gross receipts attributable to business conducted in this state, the secretary of state may
21 estimate such gross receipts based on available information, and such estimate shall be presumed
22 correct unless rebutted by the foreign corporation with competent evidence.

23 (g) For purposes of subsections (e) and (f) of this section, a foreign corporation
24 “commenced transacting business in this state” on the earliest date of:

25 (1) Contracting with a person in this state;

26 (2) Providing, performing, administering, or arranging for services to be performed in this
27 state;

28 (3) Receiving payment or other compensation from a person in this state; or

29 (4) Otherwise engaging in repeated or continuous business activity in this state. Lack of
30 physical presence shall not delay the commencement date.

31 (h) No license, registration, certificate, appointment, authorization, or other approval
32 issued by the department of business regulation or any other agency of this state shall be deemed
33 to exempt any foreign corporation from compliance with this chapter, including the obligation to
34 procure a certificate of authority and the penalties imposed by this section. This subsection

1 expressly applies to insurers and all persons or entities performing insurance claim handling
2 services.

3 (i) In any action brought by a private party under §§ 6-13.1-5.2 or 9-1-33, a foreign
4 corporation that was not duly authorized at the time the cause of action arose may cure such default
5 by becoming duly authorized; provided, however, that such cure shall not operate to bar, dismiss,
6 defeat, or otherwise impair any claim, remedy, or cause of action arising out of unauthorized
7 activity or business activities conducted in this state during the period of noncompliance.

8 (j) Any officer, director, or agent of a foreign corporation who knowingly authorizes,
9 directs, or participates in the transaction of business in this state on behalf of a foreign corporation
10 that has not procured a certificate of authority shall be jointly and severally liable for all civil
11 penalties, fines, and arrearages imposed under this section, and for any damages awarded to a
12 private party under §§ 6-13.1-5.2 or 9-1-33.

13 (k) The secretary of state, or designee, is hereby authorized and empowered to summon
14 witnesses and compel the production of all papers, books, documents, and records necessary to
15 determine the gross receipts of any entity for the purpose of assessing the enhanced civil penalty
16 under subsection (f) of this section. Any person who disobeys such a request may be held in
17 contempt in the superior court in the same manner as provided in § 42-14-11.

18 **7-1.2-1501. Annual reports of domestic and foreign corporations.**

19 (a) Each domestic corporation, and each foreign corporation authorized to transact business
20 in this state, shall file, within the time prescribed by this chapter, an annual report stating:

21 (1) The name of the corporation and the state or country under the laws of which it is
22 incorporated;

23 (2) A brief statement of the character of the business in which the corporation is actually
24 engaged in this state;

25 (3) The names and respective addresses of the directors and officers of the corporation;

26 (4) [Deleted by P.L. 2021, ch. 137, § 1 and P.L. 2021, ch. 138, § 1.]

27 (5) A statement of the aggregate number of issued shares, itemized by classes, par value of
28 shares, if any, and series, if any, within a class; and

29 (6) Any additional information that is required by the secretary of state.

30 (b) The annual report must be made on forms prescribed and furnished by the secretary of
31 state, and the information contained therein must be given as of the date of the execution of the
32 report. It must be executed on behalf of the corporation by its authorized representative, or, if the
33 corporation is in the hands of a receiver or trustee, it must be executed on behalf of the corporation
34 by the receiver or trustee.

1 (c) The annual report of a domestic or foreign corporation must be delivered to the secretary
2 of state between February 1 and May 1 of each year, except that the first annual report of a domestic
3 or foreign corporation must be filed between February 1 and May 1 of the year following the
4 calendar year in which its articles of incorporation were filed with or its certificate of authority was
5 issued by the secretary of state. Proof to the satisfaction of the secretary of state that prior to May
6 1 the report was deposited in the United States mail in a sealed envelope, properly addressed, with
7 postage prepaid, is deemed to be a compliance with this requirement.

8 (d) If the secretary of state finds that the annual report conforms to the requirements of this
9 chapter, the secretary of state shall file the report. If the secretary of state finds that it does not
10 conform, the secretary of state shall promptly return the report to the corporation for any necessary
11 corrections, in which event the penalties subsequently prescribed for failure to file the report within
12 the time previously provided do not apply if the report is corrected to conform to the requirements
13 of this chapter and returned to the secretary of state within thirty (30) days from the date on which
14 it was mailed to the corporation by the secretary of state.

15 (e) Each corporation, domestic or foreign, that fails or refuses to file its annual report for
16 any year within thirty (30) days after the time prescribed by this chapter is subject to a penalty of
17 ~~twenty five dollars (\$25.00)~~ two hundred dollars (\$200) per year.

18 SECTION 2. Section 7-6-94 of the General Laws in Chapter 7-6 entitled "Rhode Island
19 Nonprofit Corporation Act" is hereby amended to read as follows:

20 **7-6-94. Penalties imposed upon corporation.**

21 (a) Each domestic or foreign corporation that fails or refuses to file its annual report for
22 any year within the time prescribed by this chapter is subject to a penalty of ~~twenty five dollars~~
23 ~~(\$25.00)~~ two hundred dollars (\$200) for each year to be assessed by the secretary of state.

24 (b) Each domestic or foreign corporation that fails or refuses to answer truthfully and fully
25 within the time prescribed by this chapter interrogatories propounded by the secretary of state in
26 accordance with the provisions of this chapter, is guilty of a misdemeanor and upon conviction may
27 be fined in any amount not exceeding five hundred dollars (\$500).

28 SECTION 3. Section 7-12.1-913 of the General Laws in Chapter 7-12.1 entitled "Uniform
29 Partnership Act" is hereby amended to read as follows:

30 **7-12.1-913. Annual report for secretary of state.**

31 (a) A limited liability partnership or registered foreign limited liability partnership shall
32 deliver to the secretary of state for filing an annual report that states:

- 33 (1) The name of the partnership or registered foreign partnership;
34 (2) The street and mailing addresses of its principal office;

1 (3) The name of at least one partner;

2 (4) In the case of a foreign partnership, its jurisdiction of formation and any alternate name
3 adopted under § 7-12.1-1006;

4 (5) A brief statement of the character of the business in which the limited liability
5 partnership is actually engaged in this state; and

6 (6) Any additional information that is required by the secretary of state.

7 (b) The annual report must be made on forms prescribed and furnished by the secretary of
8 state, and the information in the annual report must be current as of the date the report is signed by
9 the limited liability partnership or registered foreign limited liability partnership.

10 (c) The first annual report must be filed with the secretary of state after February 1, and
11 before May 1, of the year following the calendar year in which the limited liability partnership's
12 statement of qualification became effective or the registered foreign limited liability partnership
13 registered to do business in this state. Subsequent annual reports must be filed with the secretary of
14 state after February 1, and before May 1, of each calendar year thereafter. Proof to the satisfaction
15 of the secretary of state that prior to May 1 the report was deposited in the United States mail in a
16 sealed envelope, properly addressed, with postage prepaid, is deemed to be a compliance with this
17 requirement.

18 (d) If the secretary of state finds that the annual report conforms to the requirements of this
19 chapter, the secretary of state shall file the report. If an annual report does not contain the
20 information required by this section, the secretary of state promptly shall notify the reporting
21 limited liability partnership or registered foreign limited liability partnership in a record and return
22 the report for correction, in which event the penalties subsequently prescribed for failure to file the
23 report within the time previously provided do not apply if the report is corrected to conform to the
24 requirements of this chapter and returned to the secretary of state within thirty (30) days from the
25 date on which it was mailed to the limited liability partnership by the secretary of state.

26 (e) Each limited liability partnership, domestic or foreign, that fails or refuses to file its
27 annual report for any year within thirty (30) days after the time prescribed by this chapter is subject
28 to a penalty of ~~twenty five dollars (\$25.00)~~ two hundred dollars (\$200) per year.

29 SECTION 4. Section 7-13.1-212 of the General Laws in Chapter 7-13.1 entitled "Uniform
30 Limited Partnership Act" is hereby amended to read as follows:

31 **7-13.1-212. Annual report for secretary of state.**

32 (a) A limited partnership or registered foreign limited partnership shall deliver to the
33 secretary of state for filing an annual report that states:

34 (1) The name of the partnership or foreign partnership;

- 1 (2) The addresses of its principal office;
- 2 (3) The name and address of each general partner;
- 3 (4) In the case of a foreign partnership, its jurisdiction of formation and any alternate name
4 adopted under § 7-13.1-1006(a);
- 5 (5) A brief statement of the character of the business in which the limited partnership is
6 actually engaged in this state; and
- 7 (6) Any additional information that is required by the secretary of state.
- 8 (b) The annual report must be made on forms prescribed and furnished by the secretary of
9 state, and the information in the annual report must be current as of the date the report is signed by
10 the limited partnership or registered foreign limited partnership.
- 11 (c) The first annual report must be delivered to the secretary of state for filing after February
12 1 and before May 1 of the year following the calendar year in which the limited partnership's
13 certificate of limited partnership became effective or the registered foreign limited partnership
14 registered to do business in this state. Subsequent annual reports must be delivered to the secretary
15 of state for filing after February 1 and before May 1 of each calendar year thereafter. Proof to the
16 satisfaction of the secretary of state that prior to May 1 the report was deposited in the United States
17 mail in a sealed envelope, properly addressed, with postage prepaid, is deemed to be a compliance
18 with this requirement.
- 19 (d) If the secretary of state finds that the annual report conforms to the requirements of this
20 chapter, the secretary of state shall file the report. If an annual report does not contain the
21 information required by this section, the secretary of state promptly shall notify the reporting
22 limited partnership or registered foreign limited partnership in a record and return the report for
23 correction, in which event the penalties subsequently prescribed for failure to file the report within
24 the time previously provided do not apply if the report is corrected to conform to the requirements
25 of this chapter and returned to the secretary of state within thirty (30) days from the date on which
26 it was mailed to the limited partnership by the secretary of state.
- 27 (e) Each limited partnership, domestic or foreign, that fails or refuses to file its annual
28 report for any year within thirty (30) days after the time prescribed by this chapter is subject to a
29 penalty of ~~twenty five dollars (\$25.00)~~ two hundred dollars (\$200) per year.

30 SECTION 5. Sections 7-16-49 and 7-16-66 of the General Laws in Chapter 7-16 entitled
31 "The Rhode Island Limited Liability Company Act" are hereby amended to read as follows:

32 **7-16-49. Registration of foreign limited liability company.**

33 (a) Before transacting business in this state, a foreign limited liability company shall
34 register with the secretary of state. For purposes of this section, a foreign limited liability company

1 is deemed to be transacting business in this state regardless of whether it maintains a physical
2 presence in this state, and includes repeated or continuous provision of services to persons in this
3 state, the receipt of compensation from persons in this state, and the performance of insurance claim
4 handling services affecting risks, claims, or property in this state.

5 (b) In order to register, a foreign limited liability company shall submit to the secretary of
6 state, in duplicate, an application for registration as a foreign limited liability company, signed by
7 a person with authority to do so under the laws of the state or other jurisdiction of its organization
8 and setting forth:

9 (1) The name of the foreign limited liability company and, if different, the name under
10 which it proposes to register and transact business in this state;

11 (2) The state or other jurisdiction in which the foreign limited liability company is
12 organized and date of the foreign limited liability company's organization;

13 (3) The name and address of the resident agent required by § 7-16-11;

14 (4) A statement that the secretary of state is appointed the agent of the foreign limited
15 liability company for service of process if at any time there is no resident agent or if the resident
16 agent cannot be found or served following the exercise of reasonable diligence;

17 (5) The address of any office required to be maintained in the state or other jurisdiction of
18 its organization by the laws of that state or jurisdiction;

19 (6) A mailing address for the foreign limited liability company;

20 (7) A statement of whether the limited liability company is to be managed by its members
21 or by one or more managers, and if the limited liability company has managers at the time of its
22 application, the name and address of each manager;

23 (8) Any additional information that may be necessary or appropriate in order to enable the
24 secretary of state to determine whether the foreign limited liability company is entitled to transact
25 business in this state; and

26 (9) A statement indicating whether the company has been duly organized in its state of
27 formation as a low-profit limited liability company.

28 (c) A foreign limited liability company that transacts business in this state without
29 registering as required by this section shall be subject to the same civil penalties, arrearage
30 assessments, and enforcement provisions set forth in § 7-1.2-1418(c) through (h), as if the foreign
31 limited liability company were a foreign corporation, and such provisions shall apply
32 notwithstanding any license, registration, certificate, appointment, authorization, or other approval
33 issued by the department of business regulation or any other agency of this state. This subsection
34 expressly applies to insurers and all persons or entities performing insurance claim handling

1 [services.](#)

2 **7-16-66. Annual report of domestic and foreign limited liability companies.**

3 (a) Each domestic limited liability company and each foreign limited liability company
4 authorized to transact business in this state, shall file, between the first day of February and the first
5 day of May in each year following the calendar year in which its original articles of organization
6 or application for registration were filed with the secretary of state, an annual report setting forth:

7 (1) The name and address of the principal office of the limited liability company;

8 (2) The state or other jurisdiction under the laws of which it is formed;

9 (3) [Deleted by P.L. 2021, ch. 137, § 3 and P.L. 2021, ch. 138, § 3.]

10 (4) The current mailing address of the limited liability company and the name or title of a
11 person to whom communications may be directed;

12 (5) A brief statement of the character of the business in which the limited liability company
13 is actually engaged in this state; and

14 (6) Any additional information required by the secretary of state.

15 (7) [Deleted by P.L. 2021, ch. 137, § 3 and P.L. 2021, ch. 138, § 3.]

16 (b) The information in the annual report shall be given as of the date of the execution of
17 the report. It shall be executed by an authorized person of the domestic limited liability company
18 and by a person with authority to do so under the laws of the state or other jurisdiction of
19 organization of a foreign limited liability company. Proof to the satisfaction of the secretary of state
20 that prior to May 1 the report was deposited in the United States mail in a sealed envelope, properly
21 addressed, with postage prepaid, is deemed to be timely filed.

22 (c) If the secretary of state finds that the annual report conforms to the requirements of this
23 chapter, the secretary of state shall file the report. If the secretary of state finds that it does not
24 conform, the secretary of state shall promptly return the report to the limited liability company for
25 any necessary corrections, in which event the penalties subsequently prescribed for failure to file
26 the report within the time previously provided do not apply if the report is corrected to conform to
27 the requirements of this chapter and returned to the secretary of state within thirty (30) days from
28 the date on which it was mailed to the limited liability company by the secretary of state.

29 (d) Each limited liability company, domestic or foreign, that fails or refuses to file its
30 annual report for any year within thirty (30) days after the time prescribed by this chapter is subject
31 to a penalty of ~~twenty-five dollars (\$25.00)~~ [two hundred dollars \(\\$200\)](#) per year.

32 SECTION 6. Sections 6-1-2, 6-1-4 and 6-1-6 of the General Laws in Chapter 6-1 entitled
33 "Filing of Trade Name" are hereby amended to read as follows:

34 **6-1-2. Indexes — Filing fee — Certified copies as evidence.**

1 The secretary of state shall keep an online register of all persons filing certificates and of
2 all names or styles assumed, referred to in this chapter, [including trade name certificates and](#)
3 [business activity certificates](#), and, for the indexing and filing of the certificates, the secretary of
4 state shall charge and collect a fee of twenty dollars (\$20.00). A copy of the certificate, duly
5 certified to by the secretary of state, shall be presumptive evidence in all courts in this state of the
6 facts contained in the certificate. The secretary of state shall charge and collect twenty dollars
7 (\$20.00) for the issuance of a letter of status, [as issued by the secretary of state](#).

8 **6-1-4. Penalty for violations.**

9 Any person or persons carrying on, conducting, or transacting business as mentioned in
10 this chapter who shall fail to comply with the provisions of this chapter shall be imprisoned not
11 exceeding one year, or fined not exceeding five hundred dollars (\$500). [The civil penalties and](#)
12 [enforcement provisions of § 6-1-4.1 shall be in addition to, and not in lieu of, the penalties set forth](#)
13 [in this section](#).

14 **6-1-6. Failure to file.**

15 No person or persons carrying on, conducting, or transacting business under any trade name
16 shall be entitled to maintain any suit in any of the courts of this state until such person or persons
17 have properly completed the registration as provided for in §§ 6-1-1 and 6-1-2. [No person carrying](#)
18 [on, conducting, or transacting business that is required to file a business activity certificate under §](#)
19 [6-1-1.2 shall be entitled to maintain any suit in any of the courts of this state until such person has](#)
20 [properly completed the filing and renewal requirements of that section](#). Failure to complete this
21 registration shall not impair the validity of any contract or act of such person or persons and shall
22 not prevent such person or persons from defending any suit in any court of this state.

23 SECTION 7. Chapter 6-1 of the General Laws entitled "Filing of Trade Name" is hereby
24 amended by adding thereto the following sections:

25 **6-1-1.2. Business activity certificate -- Registration and annual renewal.**

26 [\(a\) No person shall carry on, conduct, or transact a business in this state, as defined in § 6-](#)
27 [1-1.1, whether under a trade name or under the person's true and real name, unless the person has](#)
28 [filed with the secretary of state an executed application for a business activity certificate. A person](#)
29 [that is duly registered, qualified, or authorized to do business in this state under title 7](#)
30 [\("corporations, associations and partnerships"\) and is in good standing with the secretary of state,](#)
31 [and whose registration, qualification, or authorization adequately identifies the business activities](#)
32 [conducted in this state, shall be deemed to satisfy the requirements of this section and shall not be](#)
33 [required to file a separate business activity certificate. For purposes of this section, "person"](#)
34 [includes a natural person acting as a sole proprietor, whether or not such person holds any](#)

1 professional, occupational, or trade license issued by this state.

2 (b) An application for a business activity certificate shall state:

3 (1) The true and real name of the person conducting the business;

4 (2) The post office address, email address, and municipality where the business activity is

5 conducted;

6 (3) The North American Industry Classification System (NAICS) code that best represents

7 the business activity conducted; and

8 (4) Any additional information required by the secretary of state. If the person conducts

9 business under a trade name, the person shall also comply with § 6-1-1.

10 (c) A business activity certificate shall be renewed annually in accordance with § 6-1-7(a),

11 and the secretary of state may cancel a business activity certificate under the same circumstances

12 and notice procedures applicable to trade names under § 6-1-7(b) through (d).

13 (d) Failure to obtain or renew a business activity certificate as required by this section shall

14 subject the person to the civil penalties and enforcement set forth in § 6-1-4.1, and shall additionally

15 preclude the person from maintaining any suit in the courts of this state as provided in § 6-1-6.

16 (e) For the avoidance of doubt, this section applies to individuals and sole proprietors

17 conducting business in this state including, but not limited to, individuals who:

18 (1) Provide services to persons in this state while not maintaining a physical presence in

19 this state;

20 (2) Hold professional licenses issued by this state, but do not maintain a physical office or

21 business location in this state; or

22 (3) Receive compensation from persons in this state for services performed, regardless of

23 where such services are performed.

24 (f) The requirement to file a business activity certificate under this section applies

25 regardless of whether the person maintains a physical presence in this state, as defined in § 7-1.2-

26 1401(e). This requirement applies to persons performing services directly or indirectly on behalf

27 of an insurer or insurer-retained vendor for use in the investigation, negotiation, appraisal, or

28 settlement of an insurance claim.

29 **6-1-4.1. Civil penalties for failure to register or renew.**

30 (a) Any person who carries on, conducts, or transacts business in this state in violation of

31 §§ 6-1-1 or 6-1-1.2 shall be subject to:

32 (1) Arrearage equal to all fees that would have been paid for the initial filing and all annual

33 renewals due during the period of noncompliance, plus all penalties imposed for failure to pay such

34 fees;

1 (2) An additional civil fine equal to the total arrearage described in subsection (a)(1) of this
2 section;

3 (3) Except as provided in subsection (b) of this section, a civil penalty of three hundred
4 dollars (\$300) for each month or part thereof during which the person conducted business in this
5 state without the required filing or renewal; and

6 (4) An enhanced civil penalty not to exceed twelve percent (12%) of the gross receipts
7 generated from conducting business activities in this state during the period of noncompliance.

8 (b) The monthly civil penalty in subsection (a)(3) of this section, shall not apply if the
9 person files the required certificate not later than ninety (90) days after the person commenced
10 conducting business in this state. The burden of proving the date of commencement and eligibility
11 for this exception shall be on the person.

12 (c) The monthly civil penalty set forth in subsection (a)(3) of this section, shall not apply
13 to any person who maintains both a principal residence and primary place of business within this
14 state; provided that, such person files the required certificate under § 6-1-1.2 not later than one
15 hundred eighty (180) days after commencing business in this state.

16 (d) The secretary of state may assess the civil penalties under this section administratively
17 and may require the production of records sufficient to determine gross receipts attributable to
18 business conducted in this state. If the person fails to produce records sufficient to determine such
19 gross receipts, the secretary of state may estimate gross receipts based on available information,
20 and such estimate shall be presumed correct unless rebutted by the person with competent evidence.
21 The attorney general may bring proceedings to recover all amounts due under this section and to
22 enjoin violations of this chapter.

23 (e) No license, registration, certificate, appointment, authorization, or other approval issued
24 by the department of business regulation or any other agency of this state shall be deemed to exempt
25 any person from compliance with this chapter or from the penalties imposed by this section. This
26 section expressly applies to insurers and all persons or entities performing insurance claim handling
27 services.

28 (f) For purposes of this section, a person “commenced conducting business in this state”
29 on the earliest date of any activity enumerated in § 7-1.2-1418(g).

30 (g) For purposes of this section, “gross receipts” includes all compensation, fees,
31 premiums, commissions, or other consideration received, directly or indirectly, from persons in this
32 state or for services performed in this state.

33 (h) The secretary of state, or designee, may summon witnesses and compel the production
34 of papers, books, documents, and records necessary to determine gross receipts or compliance with

1 [this chapter. Any person who disobeys such a request may be held in contempt in the superior court](#)
2 [in the same manner as provided in § 42-14-11.](#)

3 SECTION 8. Sections 6-13.1-1, 6-13.1-2 and 6-13.1-4 of the General Laws in Chapter 6-
4 13.1 entitled "Deceptive Trade Practices" are hereby amended to read as follows:

5 **6-13.1-1. Definitions. [Effective January 1, 2026; Effective until March 31, 2026.]**

6 As used in this chapter:

7 (1) "Documentary material" means the original or a copy of any book, record, report,
8 memorandum, paper, communication, tabulation, map, chart, photograph, mechanical
9 transcription, or other tangible document or recording wherever situated.

10 (2) "Examination" of documentary material includes the inspection, study, or copying of
11 any documentary material, and the taking of testimony under oath or acknowledgment in respect
12 of any documentary material or copy of any documentary material.

13 (3) ["Insurance claim handling services" means activities including, but not limited to,](#)
14 [acting as an appraiser, adjusting, appraising, determining causation, estimating, evaluating,](#)
15 [inspecting, investigating, negotiating, recommending repair or replacement, scoping, or settling an](#)
16 [insurance claim, performed by an insurer or any person or entity acting directly or indirectly on](#)
17 [behalf of or at the direction of an insurer.](#)

18 (4) "Person" means natural persons, corporations, trusts, partnerships, incorporated or
19 unincorporated associations, and any other legal entity.

20 ~~(4)~~(5) "Rebate" means the return of a payment or a partial payment that serves as a discount
21 or reduction in price.

22 ~~(5)~~(6) "Trade" and "commerce" mean the advertising, offering for sale, sale, or distribution
23 of any services and any property, tangible or intangible, real, personal, or mixed, and any other
24 article, commodity, or thing of value wherever situate, and include any trade or commerce directly
25 or indirectly affecting the people of this state.

26 ~~(6)~~(7) "Unfair methods of competition and unfair or deceptive acts or practices" means any
27 one or more of the following:

28 (i) Passing off goods or services as those of another;

29 (ii) Causing likelihood of confusion or of misunderstanding as to the source, sponsorship,
30 approval, or certification of goods or services;

31 (iii) Causing likelihood of confusion or of misunderstanding as to affiliation, connection,
32 or association with, or certification by, another;

33 (iv) Using deceptive representations or designations of geographic origin in connection
34 with goods or services;

- 1 (v) Representing that goods or services have sponsorship, approval, characteristics,
2 ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship,
3 approval, status, affiliation, or connection that he or she does not have;
- 4 (vi) Representing that goods are original or new if they are deteriorated, altered,
5 reconditioned, reclaimed, used, or secondhand; and if household goods have been repaired or
6 reconditioned, without conspicuously noting the defect that necessitated the repair on the tag that
7 contains the cost to the consumer of the goods;
- 8 (vii) Representing that goods or services are of a particular standard, quality, or grade, or
9 that goods are of a particular style or model, if they are of another;
- 10 (viii) Disparaging the goods, services, or business of another by false or misleading
11 representation of fact;
- 12 (ix) Advertising goods or services with intent not to sell them as advertised;
- 13 (x) Advertising goods or services with intent not to supply reasonably expectable public
14 demand, unless the advertisement discloses a limitation of quantity;
- 15 (xi) Making false or misleading statements of fact concerning the reasons for, existence of,
16 or amounts of price reductions;
- 17 (xii) Engaging in any other conduct that similarly creates a likelihood of confusion or of
18 misunderstanding;
- 19 (xiii) Engaging in any act or practice that is unfair or deceptive to the consumer;
- 20 (xiv) Using any other methods, acts, or practices that mislead or deceive members of the
21 public in a material respect;
- 22 (xv) Advertising any brand name goods for sale and then selling substituted brand names
23 in their place;
- 24 (xvi) Failure to include the brand name and/or manufacturer of goods in any advertisement
25 of the goods for sale, and, if the goods are used or secondhand, failure to include the information
26 in the advertisement;
- 27 (xvii) Advertising claims concerning safety, performance, and comparative price unless
28 the advertiser, upon request by any person, the consumer council, or the attorney general, makes
29 available documentation substantiating the validity of the claim;
- 30 (xviii) Representing that work has been performed on or parts replaced in goods when the
31 work was not in fact performed or the parts not in fact replaced;
- 32 (xix) Failing to separately state the amount charged for labor and the amount charged for
33 services when requested by the purchaser as provided for in § 44-18-12(b)(3);
- 34 (xx) Advertising for sale at a retail establishment the availability of a manufacturer's rebate

1 by displaying the net price of the advertised item (the price of the item after the rebate has been
2 deducted from the item's price) in the advertisement, unless the amount of the manufacturer's
3 rebate is provided to the consumer by the retailer at the time of the purchase of the advertised item.
4 It shall be the retailer's burden to redeem the rebate offered to the consumer by the manufacturer;
5 or

6 (xxi) Advertising, displaying, or offering a price for live-event tickets or short-term lodging
7 in violation of 16 C.F.R. Part 464.

8 **6-13.1-1. Definitions. [Effective March 31, 2026.]**

9 As used in this chapter:

10 (1) "Documentary material" means the original or a copy of any book, record, report,
11 memorandum, paper, communication, tabulation, map, chart, photograph, mechanical
12 transcription, or other tangible document or recording wherever situated.

13 (2) "Examination" of documentary material includes the inspection, study, or copying of
14 any documentary material, and the taking of testimony under oath or acknowledgment in respect
15 of any documentary material or copy of any documentary material.

16 (3) "Insurance claim handling services" means activities including, but not limited to,
17 acting as an appraiser, adjusting, appraising, determining causation, estimating, evaluating,
18 inspecting, investigating, negotiating, recommending repair or replacement, scoping, or settling an
19 insurance claim, performed by an insurer or any person or entity acting directly or indirectly on
20 behalf of or at the direction of an insurer.

21 (4) "Person" means natural persons, corporations, trusts, partnerships, incorporated or
22 unincorporated associations, and any other legal entity.

23 ~~(4)~~(5) "Rebate" means the return of a payment or a partial payment that serves as a discount
24 or reduction in price.

25 ~~(5)~~(6) "Trade" and "commerce" mean the advertising, offering for sale, sale, or distribution
26 of any services and any property, tangible or intangible, real, personal, or mixed, and any other
27 article, commodity, or thing of value wherever situate, and include any trade or commerce directly
28 or indirectly affecting the people of this state.

29 ~~(6)~~(7) "Unfair methods of competition and unfair or deceptive acts or practices" means any
30 one or more of the following:

31 (i) Passing off goods or services as those of another;

32 (ii) Causing likelihood of confusion or of misunderstanding as to the source, sponsorship,
33 approval, or certification of goods or services;

34 (iii) Causing likelihood of confusion or of misunderstanding as to affiliation, connection,

- 1 or association with, or certification by, another;
- 2 (iv) Using deceptive representations or designations of geographic origin in connection
3 with goods or services;
- 4 (v) Representing that goods or services have sponsorship, approval, characteristics,
5 ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship,
6 approval, status, affiliation, or connection that the person does not have;
- 7 (vi) Representing that goods are original or new if they are deteriorated, altered,
8 reconditioned, reclaimed, used, or secondhand; and if household goods have been repaired or
9 reconditioned, without conspicuously noting the defect that necessitated the repair on the tag that
10 contains the cost to the consumer of the goods;
- 11 (vii) Representing that goods or services are of a particular standard, quality, or grade, or
12 that goods are of a particular style or model, if they are of another;
- 13 (viii) Disparaging the goods, services, or business of another by false or misleading
14 representation of fact;
- 15 (ix) Advertising goods or services with intent not to sell them as advertised;
- 16 (x) Advertising goods or services with intent not to supply reasonably expectable public
17 demand, unless the advertisement discloses a limitation of quantity;
- 18 (xi) Making false or misleading statements of fact concerning the reasons for, existence of,
19 or amounts of price reductions;
- 20 (xii) Engaging in any other conduct that similarly creates a likelihood of confusion or of
21 misunderstanding;
- 22 (xiii) Engaging in any act or practice that is unfair or deceptive to the consumer;
- 23 (xiv) Using any other methods, acts, or practices that mislead or deceive members of the
24 public in a material respect;
- 25 (xv) Advertising any brand name goods for sale and then selling substituted brand names
26 in their place;
- 27 (xvi) Failure to include the brand name and/or manufacturer of goods in any advertisement
28 of the goods for sale, and, if the goods are used or secondhand, failure to include the information
29 in the advertisement;
- 30 (xvii) Advertising claims concerning safety, performance, and comparative price unless
31 the advertiser, upon request by any person, the consumer council, or the attorney general, makes
32 available documentation substantiating the validity of the claim;
- 33 (xviii) Representing that work has been performed on or parts replaced in goods when the
34 work was not in fact performed or the parts not in fact replaced;

1 (xix) Failing to separately state the amount charged for labor and the amount charged for
2 services when requested by the purchaser as provided for in § 44-18-12(b)(3);

3 (xx) Advertising for sale at a retail establishment the availability of a manufacturer's rebate
4 by displaying the net price of the advertised item (the price of the item after the rebate has been
5 deducted from the item's price) in the advertisement, unless the amount of the manufacturer's
6 rebate is provided to the consumer by the retailer at the time of the purchase of the advertised item.
7 It shall be the retailer's burden to redeem the rebate offered to the consumer by the manufacturer;

8 (xxi) Advertising, displaying, or offering a price for live-event tickets or short-term lodging
9 in violation of 16 C.F.R. Part 464; or

10 (xxii) Engaging in any act or practice that is unfair or deceptive by a person advising or
11 assisting any veteran filing a claim for disability benefits with the Department of Veterans Affairs.

12 **6-13.1-2. Unlawful acts or practices.**

13 Unfair methods of competition and unfair or deceptive acts or practices in the conduct of
14 any trade or commerce are declared unlawful. Without limiting the generality of the foregoing, it
15 shall constitute an unfair or deceptive act or practice for any person to conduct or transact business
16 in this state while required to procure a certificate of authority or register with the secretary of state
17 under title 7 ("corporations, associations and partnerships"), to file and maintain current annual
18 reports under title 7 ("corporations, associations and partnerships"), or to file or renew any
19 certificate required under chapter 1 of this title ("filing of trade name"), and to fail to do so. This
20 provision shall apply notwithstanding § 6-13.1-4 and regardless of any license, registration,
21 certificate, appointment, authorization, or other approval issued by the department of business
22 regulation or any other agency of this state, and shall expressly apply to insurers and all persons or
23 entities performing insurance claim handling services.

24 **6-13.1-4. Exemptions.**

25 (a) Nothing in this chapter shall apply to actions or transactions permitted under laws
26 administered by the department of business regulation or other regulatory body or officer acting
27 under statutory authority of this state or the United States.

28 (b) For actions brought by the attorney general, the exemption in subsection (a) applies
29 only if the person claiming the exemption shows that:

30 (1) The person's business activities are subject to regulation by a state or federal agency;
31 and

32 (2) The activity or conduct is in compliance with orders, including insurance bulletins, or
33 rules of, or a statute administered by, a federal or state government agency.

34 (c) The exemptions set forth in subsections (a) and (b) of this section shall not apply to any

1 failure to procure a certificate of authority, register, file, maintain, renew, or otherwise comply with
2 the secretary of state filing obligations imposed by title 7 ("corporations, associations and
3 partnerships") or chapter 1 of this title ("trade name filing"). No license, registration, certificate,
4 appointment, authorization, or other approval issued by the department of business regulation or
5 any other agency of this state shall be deemed to exempt any person from the requirements of title
6 7 ("corporations, associations and partnerships") or chapter 1 if this title ("trade name filing"), or
7 from being subject to this chapter for violations arising from such noncompliance. This subsection
8 expressly applies to insurers and all persons or entities performing insurance claim handling
9 services.

10 SECTION 9. Chapter 6-13.1 of the General Laws entitled "Deceptive Trade Practices" is
11 hereby amended by adding thereto the following section:

12 **6-13.1-31. Mandatory disclosure of registration status.**

13 (a) Every person or entity required to procure a certificate of authority, file a business
14 activity certificate, file a trade name certificate, register, file, maintain, renew, or otherwise comply
15 with filing obligations imposed by title 7 ("corporations, associations and partnerships") or chapter
16 1 of this title ("trade name filing") shall, upon the written request of any person with whom it is
17 conducting or transacting business in this state, provide a valid certificate of good standing,
18 certificate of authority, business activity certificate, trade name certificate, or letter of status, as
19 issued by the secretary of state, within ten (10) business days, which may be satisfied by electronic
20 delivery or by providing a direct link to the secretary of state's online business entity verification
21 portal.

22 (b) Failure to provide such documentation within the time required by subsection (a) of
23 this section, shall constitute prima facie evidence of noncompliance with the filing obligations
24 referenced in subsection (a) of this section, and shall constitute an unfair or deceptive act or practice
25 under this chapter.

26 SECTION 10. Severability.

27 If any provision of this act or the application thereof to any person or circumstance is held
28 invalid, such invalidity shall not affect the provisions or applications of this act which can be given
29 effect without the invalid provision or application, and to this end the provisions of this act are
30 declared to be severable.

31 SECTION 11. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO CORPORATIONS, ASSOCIATIONS, AND PARTNERSHIPS -- RHODE
ISLAND BUSINESS CORPORATION ACT

1 This act would strengthen consumer protections and promote fair competition by requiring
2 businesses that conduct business in Rhode Island, including out-of-state entities and unincorporated
3 operators, to register and maintain required filings with the secretary of state so that Rhode Island
4 consumers and small businesses may readily identify responsible parties, verify good standing, and
5 effectuate service of process. This act would further establish enhanced civil penalties for
6 unauthorized business activity, increase annual report penalties, and provide that noncompliance
7 with secretary of state filing obligations constitutes an unfair or deceptive act or practice.

8 This act would take effect upon passage.

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