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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

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

Introduced By: Senators Paolino, Dimitri, Rogers, Patalano, Thompson, Pearson,
DiPalma, Ujifusa, Burke, and Gu
Date Introduced: January 30, 2026

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 ombudsperson~~ 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 ombudsperson 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

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

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

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

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

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

42-35-6. ~~Petition for promulgation of rules~~ Resident and business petition.

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

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

(2) Initiate rulemaking , policy or procedure changes.

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

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

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

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

(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

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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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