

2026 -- S 2343

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S T A T E O F R H O D E I S L A N D

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

1 ~~business concerns~~ businesses, the ombudsman shall annually produce a public report to the
2 general 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 appointed pursuant to the provisions of in § 42-
32 35.1-5 shall serve as the Rhode Island commerce ~~corporation shall appoint a staff person to serve~~
33 ~~as the~~ corporation's small business advocate.

34 (b) The small business advocate shall:

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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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