

2024 -- S 2507

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LC005240
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

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

Introduced By: Senators Paolino, and de la Cruz

Date Introduced: March 01, 2024

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 businesses ~~business concerns that receive or are subject to an audit, on-site~~
10 ~~inspection, compliance assistance effort, or other enforcement related communication or contact~~
11 ~~by agency personnel are provided with a means to comment on the enforcement activity conducted~~
12 ~~by such personnel~~ are provided assistance regarding a regulation or enforcement activity;

13 (2) Establish means to receive suggestions, feedbacks and comments from small businesses
14 ~~business concerns~~ regarding ~~actions by~~ agency ~~employees conducting~~ compliance or enforcement
15 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 ~~businesses~~ ~~business concerns~~, 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 (a) 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 ombudsman created in § 42-35.1-5 shall serve as the ~~The director of the~~ Rhode
32 Island commerce ~~corporation~~ corporation's ~~shall appoint a staff person to serve as the~~ 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 his or her functions,
9 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

RELATING TO STATE AFFAIRS AND GOVERNMENT -- SMALL BUSINESS
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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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