



May 8, 2013

TO: RI House Judiciary Committee

FROM: RI Center for Freedom & Prosperity

SUBJECT: Written Testimony re. House Bill 5321

Chairperson Ajello and Committee Members:

According to the “2102 Report Card on Rhode Island Competitiveness” - published by our Center earlier this year (see copy) - Rhode Island grades an “**F**” in the category of overall *Business Climate*.

A major factor in determining a state’s overall business climate is its *Litigation Environment*. In this regard, and according the United State Chamber of Commerce’ Institute for Legal Reform, Rhode Island has **the worst such ranking in all of New England**. (<http://www.instituteforlegalreform.com/states/rhode-island>)

According to our Report Card, Rhode Island grades out at a “**D minus**” in the sub-category, *Lawsuit Climate*, when also including a national comparison.

It is a fact that every state competes with its neighbors, and nationally, for jobs and economic growth; and in far too many areas, Rhode Island is not competitive.

In this case, our Ocean State is also pulling the dead-weight of unfair lawsuit abuse, dragging down our economy and making it less attractive for businesses to grow or do business here. Small businesses are Rhode Island’s job creators, and we should seek to lessen the potential for frivolous law suit judgments that hit them excessively hard.

It is the estimation of our Center that House Bill 5321 will help improve the state’s overall lawsuit climate and help make Rhode Island a more attractive place to conduct business.

Similarly so, with regard to personal lawsuits and individuals seeking to make their homes in Rhode Island.

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