

2012 -- H 7874

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF BUSINESS  
REGULATION

Introduced By: Representative Donald J. Lally

Date Introduced: March 01, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 42-14-12 of the General Laws in Chapter 42-14 entitled  
2 "Department of Business Regulation" is hereby amended to read as follows:

3           **42-14-12. Sales of businesses.** -- ~~Any person, firm, or corporation acting~~ Only lawyers  
4 licensed in the state of Rhode Island and realtors and brokers licensed in the state of Rhode Island  
5 may act as a broker for the sale of an existing business or the transfer of all or a substantial part of  
6 the materials, supplies, merchandise, or other inventory of an existing business or for the making  
7 of a bulk transfer under chapter 6 of title 6A for a fee, charge, or commission. ~~shall be required to~~  
8 ~~post a bond in the sum of twenty thousand dollars (\$20,000) with the department of business~~  
9 ~~regulation with surety or sureties approved by the director of the department. Provided, however,~~  
10 ~~that the provisions of this section shall not apply to attorneys, any person licensed as a real estate~~  
11 ~~broker, or real estate salesman pursuant to the provisions of chapter 20.5 of title 5, except that no~~  
12 ~~person, firm, or corporation shall act or hold himself or herself out as a business broker unless he~~  
13 ~~or she holds a real estate broker's license issued by the department of business regulation that has~~  
14 ~~not been revoked.~~ Anyone found in violation of this section shall be subject to a fine up to ten  
15 thousand dollars (\$10,000).

16           SECTION 2. 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 mandate that only lawyers, realtors, and brokers licensed in the state of  
2 Rhode Island may act as a broker for the sale of an existing business or the transfer of all or a  
3 substantial part of the materials, supplies, merchandise, or other inventory of title 6A for a fee,  
4 charge or commission.

5           This act would take effect upon passage.

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