



Department of Business Regulation
Securities Division
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920

Franchise Bulletin Number 2016-1

2016 Legislative Changes

The following legislative amendments were enacted during the 2016 session of the Rhode Island General Assembly. This bulletin is being provided for informational purposes only and may not be an all-inclusive list of enactments that impact the franchise industry. Licensees should refer to the statute itself ([RI Franchise Investment Act](#)) to determine the impact. The Securities Division can be reached at DBR.Seclnquiry@dbr.ri.gov or (401)-462-9587 to answer any questions.

Making Government Work- Franchises and Securities

H7867A Effective June 27, 2016

S2863A Effective June 27, 2016

This legislation was introduced as part of the Department's Making Government Work process:

1. Eliminate Franchise Advertising Fee and Filing Requirement:

Eliminates the filing requirement under § 19-28.1-12 and associated fees to comply with § 19-28.1-29(g) that franchise advertisements be filed with the Department. Published advertisements by non-exempt franchises in this state must still maintain advertising records for five (5) years, consistent with § 19-28.1-13.

2. Changing Franchise Disclosure Document (FDD) Delivery Period Requirement from Business to Calendar Days:

Changes the disclosure document delivery requirement under § 19-28.1-8(a)(2) to be at least fourteen (14) calendar days prior to the execution by the offeree of any binding agreement or at least fourteen (14) calendar days prior to the direct or indirect receipt of a franchise fee, whichever comes first. This amendment to the Franchise Investment Act clarifies when franchise disclosure documentation must be provided to be consistent with Federal Trade Commission updates.

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Securities; Commercial Licensing; and
Racing and Athletics

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