

2016 -- H 7624

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

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A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --  
UNSOLICITED SENDING OF GOODS

Introduced By: Representative Anastasia P. Williams

Date Introduced: February 12, 2016

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6-13-10 of the General Laws in Chapter 6-13 entitled "Unfair Sales  
2 Practices" is hereby amended to read as follows:

3 **6-13-10. ~~Unsolicited goods~~ Unsolicited goods; Cancellation of trial offers and**  
4 **introductory rate offers; Automatic renewals.** – (a) The receipt of unsolicited goods, wares, or  
5 merchandise through the mail or otherwise shall for all purposes be deemed an unconditional gift  
6 to the recipient who may use or dispose of the unsolicited goods, wares, or merchandise in any  
7 manner he or she sees fit without any obligation on his or her part to the sender.

8 (b) No person, firm, partnership, association or corporation, or agent or employee thereof,  
9 shall, in any manner, or by any means, offer for sale goods, wares or merchandise, where the  
10 offer includes the voluntary and unsolicited sending of goods, wares or merchandise not actually  
11 ordered or requested by the recipient, either orally or in writing.

12 (c) Any person, firm, partnership, association or corporation that sells or offers to sell any  
13 products or services used primarily for personal, family or household purposes pursuant to a trial  
14 offer or at an introductory rate that will change at the end of the introductory rate period, shall  
15 provide the recipient of such products or services with clear and conspicuous written notice that  
16 the recipient may cancel such products or services upon the expiration of such trial offer or  
17 introductory rate period. Such notice shall include the procedure for such cancellation and shall  
18 be provided with any written promotional material for such products or services furnished to the

1 recipient before the start of the trial offer or the introductory rate period or with the initial  
2 delivery of such products or services to the recipient. Any such products or services furnished to  
3 the recipient after the expiration of such trial offer or introductory rate period, where such trial  
4 offer or introductory rate period is cancelled or not otherwise renewed or continued by the  
5 recipient, shall be deemed an unconditional gift under subsection (a) of this section. The  
6 provisions of this subsection shall not apply to:

7 (1) Any trial offer or introductory rate period provided by a public utility, as defined in  
8 §39-1-2, an affiliate or subsidiary of such public utility, or any certified telecommunications  
9 provider, to any consumer with whom such public service company, affiliate or subsidiary, or  
10 certified telecommunications provider has an established and ongoing business relationship,  
11 provided such public service company, affiliate or subsidiary, or certified telecommunications  
12 provider shall inform such consumer of the procedure to cancel such trial offer or to cancel after  
13 the expiration of the introductory rate period;

14 (2) Any transaction involving the use of a negative option plan that is governed by 16  
15 CPR Part 425;

16 (3) Any contract subject to the provisions of chapter 27 of this title; and

17 (4) Any introductory rate where the rate paid by the consumer after the end of the  
18 introductory rate period has been clearly and conspicuously disclosed to the consumer in the  
19 contract.

20 (d)(1) Any person, firm, partnership, association, or corporation that sells or offers to sell  
21 any products or services used primarily for personal, family or household purposes for a specified  
22 period of time of more than one hundred eighty (180) days pursuant to a written contract that  
23 contains a provision for automatic renewal of the contract for a period of time of more than thirty-  
24 one (31) days at the end of the period of time specified in the contract shall provide the recipient  
25 of such products or services with a clear and conspicuous written notice that the recipient may  
26 cancel such contract. Such notice shall include the procedure for such cancellation. Such notice  
27 shall be given at least sixty (60) days prior to:

28 (i) The date upon which the contract will be renewed; or

29 (ii) The expiration of the period for cancelation by the recipient, whichever time period is  
30 earlier. Mailing of the written notice required by this subsection by United States mail to the  
31 address of the recipient listed in the contract shall satisfy the notice requirements of this  
32 subsection. If a contract subject to the provisions of this subsection is entered into electronically  
33 or the consumer agrees to receive notice electronically, the written notice required by this  
34 subsection may be transmitted by electronic mail.

1           (2) Any person, firm, partnership, association or corporation that sells or offers to sell any  
2 products or services used primarily for personal, family or household purposes for a specified  
3 period of time of one hundred eighty (180) days or less pursuant to a written contract that  
4 contains a provision for automatic renewal of the contract for a period of time of more than thirty-  
5 one (31) days at the end of the period of time specified in the contract, shall include in such  
6 contract a clear and conspicuous written notice that the recipient of such products or services may  
7 cancel such contract and the procedure for such cancellation, provided the recipient shall not be  
8 required to exercise such right of cancellation more than sixty (60) days prior to the expiration of  
9 the specified period of time.

10           (3) If such notice is not provided to the recipient in accordance with subsection (d)(1) of  
11 this section or included in the contract in accordance with subsection (d)(2) of this section, any  
12 such products or services furnished to the recipient after the expiration of the period of time  
13 specified in the contract shall be deemed an unconditional gift under subsection (a) of this  
14 section.

15           (4) Nothing in this section shall be construed to apply to a health club contract subject to  
16 the provisions of §5-50-5, a contract subject to the provisions of chapter 27 of this title, or any  
17 contract between a condominium or housing association and a person other than an individual.

18           (e) The provisions of this section shall not apply to any banking, insurance or securities  
19 product or service, the provision of which is subject to regulation or licensing by the state or a  
20 federal agency.

21           (f) A violation of any provision of this section shall be deemed an unfair or deceptive  
22 trade practice under chapter 13.1 of this title.

23           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 make the unsolicited sending of goods unlawful and would regulate trial  
2 and introductory rate offers. This act would also require that for many contracts with automatic  
3 renewal provisions, the consumer would have to be given notice of their right to cancel the  
4 contract. This notice would need to be given at least sixty (60) days prior to the contract's renewal  
5 date.

6           This act would also make violations of this section unfair trade practices as defined in §6-  
7 13.1-1.

8           This act would take effect upon passage.

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