

2021 -- H 5769

LC002133

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO COMMERCIAL LAW – GENERAL REGULATORY PROVISIONS -
UNFAIR SALES PRACTICES

Introduced By: Representatives Phillips, Caldwell, Carson, Cortvriend, Fellela, Casey,
Filippi, and S Lima

Date Introduced: February 24, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 Section 1. Chapter 6-13 of the General Laws entitled "Unfair Sales Practices" is hereby
2 amended by adding thereto the following sections:

3 **6-13-22. Termination of automatic deductions – Notice of rate increases or substantial**
4 **changes in services.**

5 (a) Any club, facility, or service provider (the "provider") which automatically deducts
6 from a checking or savings account, or a credit or debit card, or similar device, on a regular
7 schedule, monthly or otherwise, for a consumer to access the club, facility, or services offered by
8 the provider, shall stop making such deduction within thirty (30) calendar days of the consumer
9 giving the provider notice that the consumer wants the automatic deduction to be stopped. Notice
10 by the consumer may be provided verbally or in writing, or by email.

11 (b) Any provider who intends to provide a rate increase in charges or a substantial change
12 in the nature of the club, facility, or services being provided to the consumer, must give the
13 consumer notice of the proposed rate increase or change in services by a writing executed and
14 delivered to the consumer at least sixty (60) calendar days prior to the date when the rate increase
15 or change in services are to take effect.

16 (c) A provider may be fined up to one thousand dollars (\$1,000) for a violation of this
17 section. In addition, any consumer against whom the provider violates the provisions of this section
18 shall be entitled to terminate their contractual agreement with the provider as of the date of the

1 violation, and shall not be responsible to the provider for any charges assessed by the provider on
2 or after the date of the violation.

3 (d) If any of the provisions of this section violate an express provision of a contract between
4 a consumer and a provider, then the provisions of this section shall apply to the next renewal of
5 that contract which occurs after the effective date of this act.

6 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 provide that a provider of a club, facility, or services to a consumer must
2 stop automatic deductions from the consumer’s account or credit card within thirty (30) calendar
3 days of receiving a notice that the consumer wants the automatic deduction to be stopped. The act
4 would also provide that a provider must give a consumer at least sixty (60) calendar days notice of
5 a proposed rate increase or substantial change in services being provided to the consumer.

6 This act would take effect upon passage.

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