

2022 -- H 7885

LC005164

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

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

Introduced By: Representatives Tobon, and Barros

Date Introduced: March 04, 2022

Referred To: House Innovation, Internet, & Technology

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 section:

3 **6-13-22. Prohibition against sale of consumer Internet data without consent and**
4 **compensation.**

5 (a) It shall be unlawful for any social media platform to use, gather, capture, quantify or
6 sell any consumer Internet data for profit, without the consent of, and payment of compensation to,
7 the consumer generating such data.

8 (b) An exception to subsection (a) of this section, shall be for any consumer Internet data
9 generated intentionally by the consumer for compensation by agreement with the social media
10 platform.

11 (c) The department of business regulation (the "department") shall promulgate rules and
12 regulations to develop a formula to provide for the payment of compensation obtained pursuant to
13 this section under subsection (a) of this section with the consent of the consumer, and also under
14 subsection (b) of this section by agreement. In developing the formula, the department shall be
15 guided by best practices employed within the industry and by other states. The goal of the formula
16 shall be to establish a methodology of calculating a range of fair payment amounts:

17 (1) To a consumer whose activity generated consumer content and data, to be paid by a
18 social media platform for data mining and obtaining the content and data; and

1 (2) To a consumer based on the relationship between the user, content visited, time spent
2 and the value it created; and

3 (3) To the social media platform or data miner from the third-party purchaser who is paying
4 the social media platform for the content and data.

5 (d) The methodology developed by the department shall incorporate and consider:

6 (1) The amount of time the consumer spent on or using the social media platform to
7 generate consumer content and data;

8 (2) The amount of time and the nature of the efforts required by the social media platform
9 to gather and data mine the content and data; and

10 (3) The amounts customarily paid in the field for such content and data by third-party
11 purchasers.

12 (4) The value of the contribution of each party and how that value is determined.

13 (e) Once the rules and regulations provided for in this section take effect, the formula shall
14 be applied to any consumer Internet content that is generated by the consumer while physically
15 present in Rhode Island.

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 prohibit the sale for profit of consumer generated internet data by a social
2 media platform without the consent of and compensation paid to the consumer. This act would also
3 direct the department of business regulation to promulgate rules and regulations to develop a
4 formula to provide for the payment of compensation to both the consumer whose activity generated
5 the consumer content, and to a social media platform for data mining and obtaining the content.

6 This act would take effect upon passage.

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