LC000748

2025 -- Н 5215

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

AN ACT

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

Introduced By: Representatives Phillips, Bennett, Corvese, Newberry, Chippendale, J. Brien, Solomon, Read, Serpa, and Fellela Date Introduced: January 29, 2025

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:

6-13-22. Termination of automatic deductions – Notice of rate increases or substantial

4 changes in services.

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- 5 (a) Any health club, as defined in § 5-50-1, which automatically deducts from a checking
- 6 or savings account, or a credit or debit card, or similar device, on a regular schedule, monthly or
- 7 <u>otherwise, for a consumer to access the health club, shall stop making such deduction within thirty</u>
- 8 (30) calendar days of the consumer giving the health club notice that the consumer wants the
- 9 <u>automatic deduction to be stopped. Notice by the consumer shall be provided in written form only</u>
- 10 <u>and delivered by mail or in person.</u>
- 11 (b) Any health club who intends to provide a rate increase in charges or a substantial change
- 12 in the nature of the health club, or services being provided to the consumer, shall give the consumer
- 13 notice of the proposed rate increase or change in services by a writing executed and delivered to
- 14 the consumer at least sixty (60) calendar days prior to the date when the rate increase or change in
- 15 <u>services are to take effect.</u>
- 16 (c) A health club may be fined up to one thousand dollars (\$1,000) for a violation of this
- 17 section. In addition, any consumer against whom the health club violates the provisions of this
- 18 section shall be entitled to terminate their contractual agreement with the health club as of the date

- 1 of the violation, and shall not be responsible to the health club for any charges assessed by the
- 2 health club on 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 health club, then the provisions of this section shall apply to the next renewal of
- 5 that contract which occurs after the effective date of this section.
- 6 SECTION 2. This act shall take effect upon passage.

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EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

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

1 This act would provide that a health club must stop automatic deductions from the 2 consumer's account or credit card within 30 calendar days of receiving a written notice that the 3 consumer wants the automatic deduction to be stopped. The act would also provide that a health 4 club must give a consumer at least 60 calendar days notice of a proposed rate increase or substantial 5 change in services being provided to the consumer. 6 This act would take effect upon passage.

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