

2021 -- H 5601

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LC000923  
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

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

Introduced By: Representative C Lima

Date Introduced: February 12, 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 section:

3 **6-13-14.1. Prohibition on automatic renewal for sale of consumer goods.**

4 (a) No person, firm, partnership, association or corporation that sells any product or service  
5 used primarily for personal, family or household purposes for a specified period of time shall  
6 include in any written contract a provision for automatic renewal of the contract beyond the  
7 specified period unless the consumer or recipient of the product or service signs a clear and  
8 conspicuous consent to renew the contract no earlier than sixty (60) days prior to the contract  
9 expiration term.

10 (b) Any automatic renewal provision in violation of the provisions of subsection (a) of this  
11 section shall be void as a violation of public policy.

12 (c) If a signed consent is not provided in accordance with subsection (a) of this section, any  
13 such products or services furnished to the recipient after the expiration of the period of time  
14 specified in the contract shall be deemed an unconditional gift.

15 (d) 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, or  
18 to automatic lease renewals subject to § 6-13-14.

1           (e) The provisions of this section shall not apply to any banking, insurance or securities  
2 product or service, the provision of which is subject to regulation or licensing by the state or a  
3 federal agency, or to contracts for medical supplies, medication or medical services.

4           (f) A violation of any provision of this section shall be deemed an unfair or deceptive trade  
5 practice under chapter 13 and 13.1 of this title.

6           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --  
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1           This act would prohibit automatic renewal of contracts for personal, family or household  
2 purposes unless the consumer signs a consent to renew within sixty (60) days of the contract  
3 expiration date. Certain transactions are exempt to include medical supplies and banking products.

4           This act would take effect upon passage.

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