

2022 -- S 2742

LC005611

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: Senator Roger Picard

Date Introduced: March 24, 2022

Referred To: Senate Commerce

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**
4 **substantial changes in services.**

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 otherwise, for a consumer to access the health club, shall stop making such deduction within thirty
8 (30) calendar days of the consumer giving the health club notice that the consumer wants the
9 automatic deduction to be stopped. Notice by the consumer may be provided verbally or in writing,
10 or by email.

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, must 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 services are to take effect.

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 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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RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --
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1 This act would provide that a health club must stop automatic deductions from the
2 consumer's account or credit card within thirty (30) calendar days of receiving a 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 sixty (60) calendar days notice of a proposed rate increase or
5 substantial change in services being provided to the consumer.

6 This act would take effect upon passage.

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