

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

A N A C T

RELATING TO DECEPTIVE TRADE PRACTICES --MODEL FAIR CONSUMER  
CONTRACTS ACT

Introduced By: Representatives Lima, Naughton, Diaz, Handy, and Anguilla

Date Introduced: March 01, 2005

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 6-13.1-4 of the General Laws in Chapter 6-13.1 entitled "Deceptive Trade Practices" is hereby repealed.

~~6-13.1-4. Exemptions. --- Nothing in this chapter shall apply to actions or transactions permitted under laws administered by the department of business regulation or other regulatory body or officer acting under statutory authority of this state or the United States.~~

SECTION 2. Title 6 of the General Laws entitled "Commercial Law - General Regulatory Provisions" is hereby amended by adding thereto the following chapter:

CHAPTER 13.4

MODEL FAIR CONSUMER CONTRACTS ACT

**6-13.4-1. Short title.** – This act shall be known as the "Model Fair Consumer Contracts Act."

**6-13.4-2. Legislative purpose.** – The purpose of this act is to protect consumers, who enter into contracts, from exploitive terms and conditions.

**6-13.4-3. Definitions.** – For the purposes of this chapter, the following words and terms shall have the following meanings:

(1) "Consumer" means a person who seeks or acquires goods or services intended primarily for personal, family or household purposes.

(2) "Consumer contract" means a written standardized form contract between the parties

1 to a consumer transaction.

2 (3) "Consumer transaction" means any sale, lease, or rental of goods or services to a  
3 consumer. This includes, but is not limited to, transactions involving: banking, credit cards,  
4 home loans, and other financial services, health care services, brokerage services, home  
5 construction and improvements, insurance, communications and the purchase, lease, or rental of  
6 motor vehicles and other personal property.

7 (4) "Merchant" means a person who, in the ordinary course of business sells, rents or  
8 leases goods or services to consumers in a consumer transaction. The term includes an assignee  
9 or other transferee of the merchant. The term does not include a surety.

10 **6-13.4-4. Prohibited contract provisions.** – No consumer contract involving a consumer  
11 transaction shall possess a clause which prohibits a consumer from pursuing a claim as a class  
12 action.

13 **6-13.4-5. Liberal construction of chapter required.** – This chapter shall be construed  
14 liberally to effectuate its declared purpose.

15 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO DECEPTIVE TRADE PRACTICES --MODEL FAIR CONSUMER  
CONTRACTS ACT

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- 1           This act would repeal exemptions to the deceptive trade practices act. This act would  
2   create the "Model Fair Consumer Contracts Act" to protect consumers from exploitive contracts.  
3           This act would take effect upon passage.

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