

2010 -- S 2755

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

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

Introduced By: Senator Roger Picard

Date Introduced: March 25, 2010

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 6-13-10 of the General Laws in Chapter 6-13 entitled "Unfair Sales
2 Practices" is hereby amended to read as follows:

3 **6-13-10. ~~Unsolicited goods.~~ Unsolicited goods – Cancellation of trial offers and**
4 **introductory rate offers – Automatic renewals – Unfair trade practices.** -- (a) The receipt of
5 unsolicited goods, wares, or merchandise through the mail or otherwise shall for all purposes be
6 deemed an unconditional gift to the recipient who may use or dispose of the unsolicited goods,
7 wares, or merchandise in any manner he or she sees fit without any obligation on his or her part to
8 the sender.

9 (b) Any person, firm, partnership, association or corporation that sells or offers to sell,
10 any products or services used primarily for personal, family or household purposes pursuant to a
11 trial offer or at an introductory rate that will change at the end of the introductory rate period,
12 shall provide the recipient of the products or services with a clear and conspicuous written notice
13 that the recipient may cancel the products or services upon the expiration of such trial offer or
14 introductory rate period. The notice shall include the procedure for cancellation, and shall be
15 provided with any written promotional material for the products or services furnished to the
16 recipient before the start of the trial offer, or the introductory rate period, or with the initial
17 delivery of such products or services to the recipient. Any products or services furnished to the
18 recipient after the expiration of such trial offer or introductory rate period, where the trial offer or

1 introductory rate period is cancelled or not otherwise renewed, or continued by the recipient, shall
2 be deemed an unconditional gift under subsection (a) of this section.

3 (c) Any person, firm, partnership, association or corporation that sells, or offers to sell
4 any products or services to a consumer pursuant to a contract, where the contract term is a
5 specified term of twelve (12) months or more, and where the contract automatically renews for a
6 specified term of more than one month, unless the consumer cancels the contract, shall notify the
7 consumer in writing of the automatic renewal. Written notice shall be provided to the consumer
8 not less than thirty (30) days, and not more than sixty (60) days before the cancellation deadline
9 pursuant to the automatic renewal clause. The written notice shall disclose clearly and
10 conspicuously:

- 11 (1) That unless the consumer cancels the contract it will automatically renew;
- 12 (2) The date upon which the contract will be renewed, or the expiration of the time period
13 for cancellation by the recipient, whichever time period is earlier; and
- 14 (3) Where the consumer can obtain details of the automatic renewal provision and
15 cancellation procedure.

16 If the notice is not provided to the recipient as set forth above, any products or services
17 furnished to the recipient after the expiration of the period of time specified in the trial or contract
18 shall be deemed an unconditional gift under subsection (a) of this section.

19 (d) A violation of any provision of this section shall be deemed an unfair or deceptive
20 trade practice under chapter 13.1 of title 6.

21 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 require written notice of cancellation procedures for trial offers and
2 introductory rate offers and automatic renewal contracts. Any violation of the section would be
3 considered an unfair trade practice.

4 This act would take effect upon passage.

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