

LC00673

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2006

A N A C T

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

Introduced By: Representatives Lima, Jacquard, Petrarca, Naughton, and Anguilla

Date Introduced: February 01, 2006

Referred To: House Corporations

It is enacted by the General Assembly as follows:

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2 Trade Practices" is hereby repealed.

3 ~~6-13.1-4. Exemptions. -- Nothing in this chapter shall apply to actions or transactions~~
4 ~~permitted under laws administered by the department of business regulation or other regulatory~~
5 ~~body or officer acting under statutory authority of this state or the United States.~~

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

8 CHAPTER 13.4

9 MODEL FAIR CONSUMER CONTRACTS ACT

10 6-13.4-1. Short title. -- This act shall be known and may be cited as the "Model Fair
11 Consumer Contracts Act."

12 6-13.4-2. Legislative purpose. -- The purpose of this act is to protect consumers, who
13 enter into contracts, from exploitive terms and conditions.

14 6-13.4-3. Definitions. -- For the purposes of this chapter, the following words and terms
15 shall have the following meanings:

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

18 (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

- 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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