

2011 -- H 5992

LC02270

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --
DECEPTIVE TRADE PRACTICES -- MODEL FAIR CONSUMER CONTRACTS ACT

Introduced By: Representatives Lima, Ucci, Petrarca, Hull, and Bennett

Date Introduced: March 29, 2011

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW - GENERAL
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 13.4

4 MODEL FAIR CONSUMER CONTRACTS ACT

5 **6-13.4-1. Short title.** -- This act shall be known and may be cited as the "Model Fair
6 Consumer Contracts Act."

7 **6-13.4-2. Legislative purpose.** -- The purpose of this act is to protect consumers, who
8 enter into contracts, from exploitive terms and conditions.

9 **6-13.4-3. Definitions.** -- For the purposes of this chapter, the following words and terms
10 shall have the following meanings:

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

13 (2) "Consumer contract" means a written standardized form contract between the parties
14 to a consumer transaction.

15 (3) "Consumer transaction" means any sale, lease, or rental of goods or services to a
16 consumer. This includes, but is not limited to, transactions involving: banking, credit cards,
17 home loans, and other financial services, health care services, brokerage services, home
18 construction and improvements, insurance, communications and the purchase, lease, or rental of

1 motor vehicles and other personal property.

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

5 **6-13.4-4. Prohibited contract provisions. --** No consumer contract involving a
6 consumer transaction shall possess a clause which prohibits a consumer from pursuing a claim as
7 a class action.

8 **6-13.4-5. Liberal construction of chapter required. --** This chapter shall be construed
9 liberally to effectuate its declared purpose.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --
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1 This act would create the "Model Fair Consumer Contracts Act" which would provide
2 that no consumer contract would possess a clause prohibiting a consumer from pursuing a claim
3 as a class action.

4 This act would take effect upon passage.

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