



General Assembly

**Substitute Bill No. 6519**

January Session, 2005

\*          HB06519GL          030405          \*

**AN ACT CONCERNING HEALTH CLUBS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. Section 21a-216 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3       As used in this chapter:

4       (1) "Health club" means any corporation, partnership,  
5 unincorporated association or other business enterprise offering  
6 facilities for the preservation, maintenance, encouragement or  
7 development of physical fitness or well-being in return for the  
8 payment of a fee entitling the buyer to the use of such facilities. Such  
9 term [shall include, but not be] includes, but is not limited to, "health  
10 spas", "sports and health clubs", "tennis clubs", "racquet ball courts",  
11 "golf clubs", "platform tennis clubs", "gymnasiums", "figure salons",  
12 "health studios", "weight control studios", and any organization  
13 primarily operated for the purpose of teaching a particular form of  
14 self-defense or martial art, such as judo, karate or kung fu, but shall  
15 not include any establishment from which a buyer may only purchase  
16 or become obligated to purchase services to be rendered for a period of  
17 not more than [thirty] thirty-one days and which does not collect more  
18 than [thirty] thirty-one days payment in advance of the rendering of  
19 such services, nonprofit organizations, any massage establishment, any  
20 private club owned and operated by its members or any facility

21 operated by the state or any of its political subdivisions.

22 (2) "Business day" means any day except a Sunday or a legal  
23 holiday.

24 (3) "Health club contract" means an agreement by which a buyer is  
25 entitled to membership in a health club or use of the facilities of a  
26 health club. All health club contracts shall be in writing.

27 (4) "Buyer" means a person who enters into, or receives the benefit  
28 of, a health club contract.

29 (5) "Services actually received" includes any period during which  
30 the facilities of the health club are available to the buyer pursuant to  
31 the health club contract whether or not the buyer makes use of the  
32 facilities, except when the consideration paid for the health club  
33 contract is determined by the number of times the buyer makes use of  
34 the health club facilities. The facilities shall not be deemed to be  
35 available to the buyer if the buyer fails to make use of the health club  
36 facilities in reliance upon a statement or representation of an officer,  
37 employee or agent of the health club which would reasonably lead the  
38 buyer to conclude that his contract had been cancelled or that the  
39 facilities were not actually available for use by the buyer.

40 (6) "Disabled" and "disability" mean a condition which has existed  
41 or will exist for more than forty-five days which prevents a buyer from  
42 utilizing the health club to the same extent he utilized it before  
43 commencement of such condition.

44 (7) "Payment in advance" includes, but is not limited to, the  
45 payment of all service fees, initiation fees, application fees,  
46 maintenance fees or similar fees.

47 Sec. 2. Section 21a-217 of the general statutes is repealed and the  
48 following is substituted in lieu thereof (*Effective from passage*):

49 Every contract for health club services shall provide that such  
50 contract may be cancelled within three business days after the date of

51 receipt by the buyer of a copy of the contract, by written notice  
52 delivered by certified or registered United States mail to the seller or  
53 the seller's agent at an address which shall be specified in the contract.  
54 After receipt of such cancellation, the health club may request the  
55 return of contract forms, membership cards and any and all other  
56 documents and evidence of membership previously delivered to the  
57 buyer. Cancellation shall be without liability on the part of the buyer,  
58 except for the fair market value of services actually received and the  
59 buyer shall be entitled to a refund of the entire consideration paid for  
60 the contract, if any, less the fair market value of the services or use of  
61 facilities already actually received. Such right of cancellation shall not  
62 be affected by the terms of the contract and may not be waived or  
63 otherwise surrendered. Such contract for health club services shall also  
64 contain a clause providing that if the person receiving the benefits of  
65 such contract relocates further than twenty-five miles from a health  
66 club facility operated by the seller or a substantially similar health club  
67 facility which would accept the seller's obligation under the contract,  
68 or dies during the membership term following the date of such  
69 contract, or if the health club ceases operation at the location where the  
70 buyer entered into the contract, the buyer or his estate shall be relieved  
71 of any further obligation for payment under the contract not then due  
72 and owing. The contract shall also provide that if the buyer becomes  
73 disabled during the membership term, the buyer shall have the option  
74 of (1) being relieved of liability for payment on that portion of the  
75 contract term for which he is disabled, or (2) extending the duration of  
76 the original contract at no cost to the buyer for a period equal to the  
77 duration of the disability. The health club shall have the right to  
78 require and verify reasonable evidence of relocation, disability or  
79 death. In the case of disability, the health club may require that a  
80 doctor's certificate be submitted as verification and may also require in  
81 such contract that the buyer submit to a physical examination by a  
82 doctor agreeable to the buyer and the health club, the cost of which  
83 examination shall be borne by the health club.

84 Sec. 3. Subsection (a) of section 21a-218 of the general statutes is

85 repealed and the following is substituted in lieu thereof (*Effective from*  
86 *passage*):

87 (a) A copy of the health club contract shall be delivered to the buyer  
88 at the time the contract is signed. All health club contracts shall be in  
89 writing and signed by the buyer, shall designate the date on which the  
90 buyer actually signs the contract, shall identify the address of the  
91 location at which the buyer entered the contract and shall contain a  
92 statement of the buyer's rights which complies with this section. The  
93 statement must: (1) Appear in the contract under the conspicuous  
94 caption: "BUYER'S RIGHT TO CANCEL", and (2) read as follows:

95 "If you wish to cancel this contract, you may cancel by mailing a  
96 written notice by certified or registered mail to the [health club]  
97 address specified below. The notice must say that you do not wish to  
98 be bound by this contract and must be delivered or mailed before  
99 midnight of the third business day after you sign this contract. After  
100 you cancel, the health club may request the return of all contracts,  
101 membership cards and other documents of evidence of membership.  
102 The notice must be delivered or mailed to:

103 ....

104 ....

105 (Insert name and mailing address [of health club] for cancellation  
106 notice.)

107 You may also cancel this contract if you relocate your residence  
108 further than twenty-five miles from any health club operated by the  
109 seller or from any other substantially similar health club which would  
110 accept the obligation of the seller. This contract may also be cancelled if  
111 you die, or if the health club ceases operation at the location where you  
112 entered into this contract. If you become disabled, you shall have the  
113 option of (1) being relieved of liability for payment on that portion of  
114 the contract term for which you are disabled, or (2) extending the  
115 duration of the original contract at no cost to you for a period equal to

116 the duration of the disability. You must prove such disability by a  
117 doctor's certificate, which certificate shall be enclosed with the written  
118 notice of disability sent to the health club. The health club may require  
119 that you be examined by another physician agreeable to you and the  
120 health club at its expense. If you cancel, the health club may keep or  
121 collect an amount equal to the fair market value of the services or use  
122 of facilities you have already received."

123 The full text of this statement shall be in ten-point bold type.

124 Sec. 4. Section 21a-219 of the general statutes is repealed and the  
125 following is substituted in lieu thereof (*Effective from passage*):

126 (a) No health club contract shall have a duration for a period longer  
127 than twenty-four months. If a health club offers a contract of more than  
128 twelve months' duration, it shall offer a twelve-month contract. If a  
129 health club sells a membership contract of more than twelve months'  
130 duration, the health club shall not collect [no] a payment of more than  
131 fifty per cent of the entire consideration for the contract in advance of  
132 rendering services. The remainder of the cost of the contract shall be  
133 collected by the health club on a pro rata monthly basis during the  
134 term of the health club contract. Each contract shall have the prices for  
135 all contracts printed thereon.

136 (b) No contract shall contain an automatic renewal clause [but may  
137 provide a] except for a renewal for a period not to exceed thirty-one  
138 days. If such contract contains such a thirty-one-day automatic  
139 renewal clause, such contract shall permit the buyer to cancel any  
140 further renewal upon no more than a thirty-one-day notice. The price  
141 of any such renewal shall not increase or decrease unless the contract  
142 discloses the amount of such increase or decrease, or the method of  
143 calculating such increase or decrease in the price of such renewal. Any  
144 other renewal option for continued membership [, which option] must  
145 be accepted by the buyer in writing, by electronic mail or facsimile and  
146 may become effective only upon payment of the renewal price.

147 (c) Each health club shall post the prices and the three-day

148 cancellation provisions, the disability provisions and the twenty-five  
149 mile moving provisions of all contracts in a conspicuous place where  
150 the contract is entered into.

151 Sec. 5. Section 21a-220 of the general statutes is repealed and the  
152 following is substituted in lieu thereof (*Effective from passage*):

153 If the buyer's obligation is in the form of a negotiable promissory  
154 note, such contract shall state in boldface type on the face page of said  
155 contract that the buyer's promissory note may be discounted and sold  
156 to third parties to whom the buyer will become obligated to make full  
157 payment. The selling or discounting of a negotiable promissory note  
158 which represents the buyer's obligation under a health club service  
159 contract shall not affect the right of the buyer to cancel the contract, the  
160 method by which cancellation may be made, or the buyer's rights  
161 under section 52-572g or Section 433.1 et seq. of Title 16 of the Code of  
162 Federal Regulations, as they may from time to time be amended. When  
163 a buyer's obligation is in the form of a negotiable promissory note, the  
164 time period for payment of the note shall not exceed the duration of  
165 the health club contract.

166 Sec. 6. Section 21a-221 of the general statutes is repealed and the  
167 following is substituted in lieu thereof (*Effective from passage*):

168 A health club which intends to commence the sale of health club  
169 contracts, shall, prior to commencing sale, compile a written list of  
170 [each piece of] the equipment and each service which it intends to have  
171 available for use by buyers at the time of commencing such sale and  
172 shall submit a copy of the list to the Commissioner of Consumer  
173 Protection. Such list, as may be updated from time to time, shall be  
174 included in any health club contract. No health club shall be  
175 considered fully operative or established until substantially all of the  
176 equipment and services so listed are actually available for use by  
177 buyers. Each individual place of business of each health club shall be  
178 fully operative or established prior to commencing the sale of health  
179 club contracts.

180 Sec. 7. Section 21a-223 of the general statutes is repealed and the  
181 following is substituted in lieu thereof (*Effective from passage*):

182 (a) Each individual place of business of each health club shall obtain  
183 a license from the Department of Consumer Protection prior to the sale  
184 of any health club contract. Application for such license shall be made  
185 on forms provided by the Commissioner of Consumer Protection and  
186 said commissioner shall require as a condition to the issuance and  
187 renewal of any license obtained under this chapter (1) that the  
188 applicant provide for and maintain on the premises of the health club  
189 sanitary facilities; (2) that the application be accompanied by (A) a  
190 license or renewal fee of two hundred dollars, (B) a list of [each piece  
191 of] the equipment and each service which the applicant intends to have  
192 available for use by buyers during the year of operations following  
193 licensure or renewal, and (C) two copies of each health club contract  
194 which the applicant is currently using or intends to use; and (3)  
195 compliance with the requirements of section 21a-226. Such licenses  
196 shall be renewed annually. The commissioner may impose a civil  
197 penalty of not more than three hundred dollars against any health club  
198 that continues to sell or offer for sale health club contracts for any  
199 location but fails to submit a license renewal and license renewal fee  
200 for such location not later than thirty days after such license's  
201 expiration date.

202 (b) No health club shall (1) engage in any act or practice which is in  
203 violation of or contrary to the provisions of this chapter or any  
204 regulation adopted to carry out the provisions of this chapter,  
205 including the use of contracts which do not conform to the  
206 requirements of this chapter, or (2) engage in conduct of a character  
207 likely to mislead, deceive or defraud the buyer, the public or the  
208 commissioner. The Commissioner of Consumer Protection may refuse  
209 to grant or renew a license to, or may suspend or revoke the license of,  
210 any health club which engages in any conduct prohibited by this  
211 chapter.

212 (c) If the commissioner refuses to grant or renew a license of any

213 health club, the commissioner shall notify the applicant or licensee of  
214 the refusal, and of his right to request a hearing within ten days from  
215 the date of receipt of the notice of refusal. If the applicant or licensee  
216 requests a hearing within ten days, the commissioner shall give notice  
217 of the grounds for his refusal and shall conduct a hearing concerning  
218 such refusal in accordance with the provisions of chapter 54  
219 concerning contested matters.

220 (d) The Attorney General at the request of the Commissioner of  
221 Consumer Protection is authorized to apply in the name of the state of  
222 Connecticut to the Superior Court for an order temporarily or  
223 permanently restraining and enjoining any health club from operating  
224 in violation of any provision of this chapter.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	21a-216
Sec. 2	<i>from passage</i>	21a-217
Sec. 3	<i>from passage</i>	21a-218 (a)
Sec. 4	<i>from passage</i>	21a-219
Sec. 5	<i>from passage</i>	21a-220
Sec. 6	<i>from passage</i>	21a-221
Sec. 7	<i>from passage</i>	21a-223

**GL**      *Joint Favorable Subst.*