

HB 529 –AS INTRODUCED

2013 SESSION

13-0075
05/03

HOUSE BILL **529**

AN ACT relative to the regulation of health clubs.

SPONSORS: Rep. C. McGuire, Merr 29; Rep. Jones, Straf 24; Rep. Sandblade, Hills 18

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill:

- I. Excludes an establishment that primarily provides personalized lessons and coaching from the state law regulating health clubs.
- II. Revises the requirements for health club registration statements and membership plans.
- III. Removes certain limitations on membership contract options.
- IV. Repeals the attorney general’s rulemaking authority for health clubs.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to the regulation of health clubs.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Definition of Health Club; Exclusion Added. Amend RSA 358-I:1, IV(c) and (d) to read as
2 follows:

3 (c) Any nonprofit religious, ethnic, community, or service organization; ~~or~~

4 (d) Any establishment which does not have as one of its primary purposes or businesses
5 the provision of health club services or facilities~~[-]; or~~

6 ***(e) Any establishment which primarily provides personalized lessons and***
7 ***coaching, rather than access to facilities.***

8 2 Health Club Registration Statement. Amend RSA 358-I:2, I to read as follows:

9 I. Any person, corporation, partnership, association, or other entity operating or intending to
10 open or operate a health club within this state shall file a registration statement with the attorney
11 general. Such registration statement shall contain the name and address of the health club; the
12 names and addresses of the officers, directors, and those stockholders who hold in excess of 20
13 percent of the health club and its parent corporation, if such an entity exists; the type of available
14 facilities; ~~[a written list of each piece of equipment and each service which the club has available for~~
15 ~~use by buyers;]~~ approximate size of the health club measured in square feet; whether or not a shower
16 area is provided; type of membership plans to be offered and their cost; and a full and complete
17 disclosure of any completed or pending litigation initiated against the health club and any of its
18 officers or directors within the last 3 years. A new registration statement shall be filed annually by
19 the anniversary date of the filing of the original registration statement. Each registration statement
20 shall be accompanied by a registration fee of \$100. Any person failing to file a registration statement
21 within 90 days of the date due shall be subject to an administrative assessment of \$1,000.

22 3 List of Membership Plans. Amend RSA 358-I:4 to read as follows:

23 358-I:4 List of Membership Plans.

24 ~~[I.]~~ Each health club operating in this state shall prepare a comprehensive list of all
25 membership plans offered for sale by the health club and the respective price of each plan. The list
26 shall be shown to each prospective purchaser of a membership plan.

27 ~~[II. A health club is prohibited from selling a membership plan not included in this list and~~
28 ~~in the registration statement required by RSA 358 I:2, I.]~~

29 4 Length and Price of Membership Contract. Amend RSA 358-I:5 to read as follows:

30 358-I:5 Length of Membership Contract; Automatic Renewal Prohibited; Required Membership
31 Options.

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1 I. No term contract for health club services shall be for a term of more than one year, nor
2 shall any health club term contract contain an automatic renewal clause for a period greater than
3 one month. A contract may provide for a renewal option for continued membership, but any such
4 renewal must be accepted in writing by a buyer and is effective only upon payment of the renewal
5 price. Under no circumstances may a contract for health club services be renewed more than 90 days
6 before the contract's expiration date. ~~[The annualized price of the buyer's first term contract or~~
7 ~~membership option with a seller may not exceed the annualized price of any subsequent term~~
8 ~~contract or other membership option with the seller by more than 25 percent.]~~

9 II. Every seller shall offer a month-to-month membership option in addition to any other
10 term contract the seller elects to offer. The availability of month-to-month memberships shall be
11 stated in any written or broadcast advertisement or posting or marketing materials that describe
12 any other membership option the seller offers. ~~[No seller shall limit the availability of month to~~
13 ~~month memberships in any manner in which the seller does not also limit the availability of any~~
14 ~~term contract; nor may a seller accept payment from a buyer or enter into a term contract unless and~~
15 ~~until the seller has informed the buyer both orally and in writing of the availability of the month to~~
16 ~~month membership. Month-to-month memberships shall offer the same access to health club~~
17 ~~facilities and services that term contracts offer.]~~ A buyer may cancel a month-to-month membership
18 option with 30 days written notice to the seller, provided the original contract obligations have been
19 met, for any reason, and have no further obligation to the seller. The provisions of this paragraph
20 shall apply to a university, college, or educational institution to the extent that it offers health club
21 services to the general public, but shall not apply to a university, college, or educational institution
22 in its offer of health club services to its student body.

23 ~~[III. The annualized price of a month to month membership shall not exceed the annualized~~
24 ~~price of any term contract the seller offers by more than 25 percent.]~~

25 5 Repeal. RSA 358-I:6-a, relative to rulemaking authority for health clubs, is repealed.

26 6 Effective Date. This act shall take effect January 1, 2014.