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Title: A Local Law to amend the administrative code of the city of New York, in relation to creating disclosure requirements for health clubs that offer contracts for health club services.

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Int. No. 79

By Council Members Gioia, Stewart, Weprin and Liu

A Local Law to amend the administrative code of the city of New York, in relation to creating disclosure requirements for health clubs that offer contracts for health club services.

Be it enacted by the Council as follows:

Section 1. Chapter 4 of title 20 of the administrative code of the city of New York is hereby amended by adding a new subchapter 13 to read as follows:

SUBCHAPTER 13

HEALTH CLUBS

§20.699.7 Definitions

§20.699.8 Contract for Health Club Services

§20.699.9 Penalties

§20-699.7 Definitions. For the purposes of this subchapter, the term “health club” shall mean any

commercial establishment offering instruction, training or assistance or the facilities for the preservation, maintenance, encouragement or development of physical fitness or well being. "Health club" as defined herein shall include, but not be limited to health spas, sports, tennis, racquet ball, and platform tennis clubs, figure salons, health studios, gymnasiums, weight control studios, martial arts and self-defense schools or any other commercial establishment offering a similar course of physical training.

§20-699.8 Contract for health club services. a. Before any consumer enters into a contract for health club services, the health club offering such contract shall provide, in addition to the requirements found within the New York State General Business Law, the following disclosure to the consumer in writing, in English, in at least 12-point type. In the event that the consumer does not understand English, the health club shall also provide, to the best of its ability, a point-by-point oral explanation of the following required disclosure:

- WE WILL PROVIDE YOU, AT YOUR REQUEST, A PRINTED LIST OF ALL FEES ASSOCIATED WITH YOUR MEMBERSHIP, INCLUDING FINANCE CHARGES AND LATE PAYMENT FEES;
- YOU MAY CANCEL THIS CONTRACT WITHOUT PENALTY OR FURTHER OBLIGATION WITHIN THREE (3) BUSINESS DAYS AFTER THE DATE YOU RECEIVE IT, AND YOU ARE ENTITLED TO A COPY OF THE CONTRACT TO REVIEW DURING THE THREE (3) DAY PERIOD;
- YOU MAY CANCEL THIS CONTRACT AFTER THREE (3) BUSINESS DAYS, IF YOU BECOME PHYSICALLY DISABLED FOR AT LEAST 6 MONTHS, IF YOU MOVE MORE THAN 25 MILES AWAY FROM ANY HEALTH CLUB WE OPERATE, OR IF THE HEALTH CLUB CLOSES OR OUR SERVICE IS DISCONTINUED.

It shall be the obligation of the health club to complete the required disclosure accurately with all relevant information for each consumer, to provide the required point-by-point oral explanation when necessary, and to ensure that the consumer signs the completed disclosure form before he or she enters into a health club

contract.

b. It shall be the obligation of the health club to inform the consumer that he or she may take a copy of the applicable contract with them for review and consideration during the three (3) day cancellation period.

§ 20-699.9 Penalties. Any health club which violates any provision of this subchapter or any of the regulations promulgated hereunder shall be liable for a civil penalty of not less than two hundred fifty dollars nor more than five hundred dollars for the first violation and for each succeeding violation a civil penalty of not less than five hundred dollars nor more than seven hundred fifty dollars.

§2. This local law shall take effect immediately.

SD
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