



Legislation Text

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Int. No. 1798

By Council Members Powers, Louis, Kallos, Yeger, Brannan, Lander, Koo, Richards and Rivera

A Local Law to amend the administrative code of the city of New York, in relation to the online cancellation of automatic renewal and continuous service gym memberships

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 20 of the administrative code of the city of New York is amended by adding a new subchapter 21 to read as follows:

SUBCHAPTER 21

AUTOMATIC RENEWAL OR CONTINUOUS SERVICE CONTRACTS

§ 20-836 Cancellation of automatic renewal and continuous service gym memberships. a. Definitions.

As used in this subchapter, the following terms have the following meanings:

Automatic renewal. The term “automatic renewal” means a plan or arrangement which is automatically renewed at the end of a definite term for a subsequent term.

Continuous service. The term “continuous service” means a plan or arrangement which continues until the consumer cancels the service.

Consumer. The term “consumer” means a consumer who is physically present in the city.

Gym membership. The term “gym membership” means a contract for access to and use of any health or fitness club, gymnasium, or any similar facility or affiliated group of facilities for the preservation, maintenance, encouragement or development of physical fitness.

b. For any gym membership purchased by an individual consumer that provides for an automatic renewal or continuous service, the party providing or offering to provide the gym membership must, except as

otherwise provided by law:

1. Provide the consumer an option to terminate such automatic renewal or continuous service using a completely online process; and

2. Provide a notice to the consumer explaining in plain language how such automatic renewal or continuous service may be terminated online. Each business that maintains a website which allows consumers to enter into an automatic renewal or continuous service arrangement gym membership shall also conspicuously display such notice on its website.

§ 20-837 Rules. The department may promulgate such rules as it deems necessary to implement and enforce the provisions of this subchapter.

§ 20-838 Civil penalties. Any person that violates any provision of this subchapter or any rule promulgated pursuant to this subchapter is liable for a civil penalty of not less than \$500 nor more than \$5,000 for each violation pursuant a penalty schedule promulgated by the department. A proceeding to recover any civil penalty authorized pursuant to this subchapter is returnable to any tribunal established within the office of administrative trials and hearings or within any agency of the city designated to conduct such proceedings.

§ 2. This local law takes effect 120 days after it becomes law, except that the commissioner of consumer affairs shall take all actions necessary for the implementation of this local law, including the promulgation of rules, prior to such effective date.

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