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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- HEALTH CLUBS

Introduced By: Senator F Caprio

Date Introduced: February 10, 2005

Referred To: Senate Commerce, Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 5-50-1 and 5-50-3 of the General Laws in Chapter 5-50 entitled

2 "Health Clubs " are hereby amended to read as follows:

3 **5-50-1. Definition of terms.** -- Whenever used in this chapter:

4 (1) "Business day" means any day except Sunday or a legal holiday.

5 (2) "Buyer or Purchaser" means a natural person who enters into a health club contract.

6 (3) "Department" means the department of attorney general, unless otherwise described.

7 (4) "Disability" means a condition that will exist for more than forty-five (45) days and
8 prevents a buyer from utilizing the health club to the same extent the buyer did before the
9 commencement of the condition.

10 (5) "Health club" means any person, corporation, partnership, unincorporated
11 association, or other business enterprise offering facilities for the preservation, maintenance,
12 encouragement, or development of physical fitness, conditioning, or well-being in return for the
13 payment of a fee entitling the payer to the use of the facilities. The term includes, but is not
14 limited to, "health spas", "health clubs", "health studios", "figure salons", "sports clubs", "aerobic
15 dance studios", "weight loss centers or ~~control~~ studios", "gyms", "tennis clubs", "racquetball
16 clubs", "yoga studios", "martial arts and self-defense schools" or any other similar course of
17 physical training ~~and anywhere exercise facilities are available~~; but does not include any non-
18 profit organization, any private club owned and operated by its members, or any facility owned or
19 operated by the state of Rhode Island or any of its political subdivisions.

1 (6) "Health club contract" means a written statement where a buyer is entitled to
2 membership in a health club or use of the facilities of a health club for a period longer than seven
3 (7) days.

4 (7) "Seller" means any person, firm, corporation, partnership, unincorporated
5 association, franchise, franchisor, or other business enterprise which operates a health club or
6 which offer or enters into contracts for health club services.

7 (8) "Services actually received" includes any period during which the facilities of the
8 health club are available to the buyer and are actually used by the buyer.

9 (9) "Unopened facility" means a health club that is not fully constructed, open or
10 available for use at the time the seller and buyer enter into a contract for health club services.

11 **5-50-3. Bonding.** -- (a) Prior to the execution of any contract for health club services,
12 every seller which sells contracts for health club services shall, for each individual health club
13 location or facility shall obtain a surety bond in the amount of ten thousand dollars (\$10,000) for
14 a facility with less than ten thousand (10,000) square feet of permanently covered non-court sport
15 exercise/aerobic/fitness area; twenty thousand (\$20,000) for facilities between ten thousand
16 (10,000) square feet and twenty-five thousand (25,000) square feet of permanently covered non-
17 court sport exercise/aerobic/fitness area; and thirty thousand dollars (\$30,000) for facilities with
18 greater than twenty-five thousand (25,000) square feet of permanently covered non-court sport
19 exercise/aerobic/fitness area.

20 (b) Proof of bonding must be presented at the time of registration or re-registration.

21 (c) This section does not apply to:

22 (1) Any owner/operator in continuous operation in the same location for five (5) years ~~as~~
23 ~~of January 1, 1998;~~

24 (2) Non-profit organizations, weight loss and control services which do not provide
25 physical exercise facilities and classes, and which do not obligate the customer for more than
26 thirty (30) days, and which do not require an initiation fee as a condition of the contract; or

27 (3) A seller which does not require an initiation fee as a condition of a health club
28 contract and whose only type of membership does not exceed thirty (30) days and which posts a
29 conspicuous notice, placed with or near its schedule of rates posted pursuant to section 5-50-8(b)
30 or at its entrances, that the seller is not subject to the bonding requirements of this section.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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- 1 This act would make changes in the definition and bonding requirements for health clubs.
- 2 This act would take effect upon passage.

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