

AMENDED IN ASSEMBLY APRIL 18, 2016

AMENDED IN ASSEMBLY APRIL 11, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2810

Introduced by Assembly Member Eggman

February 19, 2016

An act to amend Sections 1812.84 and 1812.85 of the Civil Code, relating to health studio services.

LEGISLATIVE COUNSEL'S DIGEST

AB 2810, as amended, Eggman. Health studio services: cancellation.

Existing law authorizes a consumer to cancel a contract for health studio services within specified timeframes after the contract is executed, if the health studio fails to provide the specific facilities advertised or offered or if the health studio eliminates or reduces the scope of the facilities, as specified.

The bill would specify that a contract for health studio services may be canceled by the buyer ~~in-person~~ *person, via email from an email address on file with the health studio*, or via first-class mail. The bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1812.84 of the Civil Code is amended
2 to read:

1 1812.84. (a) A contract for health studio services may not
2 require payments or financing by the buyer to exceed the term of
3 the contract, nor may the term of the contract exceed three years.
4 This subdivision does not apply to a member's obligation to pay
5 valid, outstanding moneys due under the contract, including
6 moneys to be paid pursuant to a termination notice period in the
7 contract in which the termination notice period does not exceed
8 30 days.

9 (b) A contract for health studio services shall include a statement
10 printed in a size at least 14-point type that discloses the length of
11 the term of the contract. This statement shall be placed above the
12 space reserved for the signature of the buyer.

13 (c) At any time a cancellation is authorized by this title, a
14 contract for health studio services may be canceled by the buyer
15 ~~in person~~ *person, via email from an email address on file with the*
16 *health studio*, or via first-class mail.

17 SEC. 2. Section 1812.85 of the Civil Code is amended to read:

18 1812.85. (a) Every contract for health studio services shall
19 provide that performance of the agreed-upon services will begin
20 within six months after the date the contract is entered into. The
21 consumer may cancel the contract and receive a pro rata refund if
22 the health studio fails to provide the specific facilities advertised
23 or offered in writing by the time indicated. If no time is indicated
24 in the contract, the consumer may cancel the contract within six
25 months after the execution of the contract and shall receive a pro
26 rata refund. If a health studio fails to meet a timeline set forth in
27 this section, the consumer may cancel the contract at any time after
28 the expiration of the timeline. However, if following the expiration
29 of the timeline, the health studio provides the advertised or
30 agreed-upon services, the consumer may cancel the contract up to
31 10 days after those services are provided.

32 (b) (1) Every contract for health studio services shall, in
33 addition, contain on its face, and in close proximity to the space
34 reserved for the signature of the buyer, a conspicuous statement
35 in a size equal to at least 10-point boldface type, as follows:

36 "You, the buyer, may choose to cancel this agreement at any
37 time prior to midnight of the fifth business day of the health studio
38 after the date of this agreement, excluding Sundays and holidays.
39 To cancel this agreement, ~~mail~~ *mail, email*, or deliver a signed and
40 dated notice that states that you, the buyer, are canceling this

1 agreement, or words of similar effect. The notice shall be sent via
2 first-class ~~mail~~ *mail, via email from an email address on file with*
3 *the health studio, or delivered in person to, to*

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(Name of health studio operator)
at _____
(Address *and email address* of health studio operator).”

10 (2) The contract for health studio services shall contain on the
11 first page, in a type size no smaller than that generally used in the
12 body of the document, the following: (A) the name and address
13 of the health studio operator to which the notice of cancellation is
14 to be mailed, and (B) the date the buyer signed the contract.

15 (3) The contract shall provide a description of the services,
16 facilities, and hours of access to which the consumer is entitled.
17 Any services, facilities, and hours of access that are not described
18 in the contract shall be considered optional services, and these
19 optional services shall be considered as separate contracts for the
20 purposes of this title and Section 1812.83.

21 (4) Until the health studio operator has complied with this
22 section, the buyer may cancel the contract for health studio
23 services.

24 (5) All moneys paid pursuant to a contract for health studio
25 services shall be refunded within 10 days after receipt of the notice
26 of cancellation, except that payment shall be made for any health
27 studio services received prior to cancellation.

28 (c) If at any time during the term of the contract, including a
29 transfer of the contractual obligation, the health studio eliminates
30 or substantially reduces the scope of the facilities, such as
31 swimming pools or tennis courts, that were described in the
32 contract, in an advertisement relating to the specific location, or
33 in a written offer, and available to the consumer upon execution
34 of the contract, the consumer may cancel the contract and receive
35 a pro rata refund. The consumer may not cancel the contract
36 pursuant to this subdivision if the health studio, after giving
37 reasonable notice to its members, temporarily takes facilities out
38 of operation for reasonable repairs, modifications, substitutions,
39 or improvements. This subdivision shall not be interpreted to give
40 the consumer the right to cancel a contract because of changes to

1 the type or quantity of classes or equipment offered, provided the
2 consumer is informed in the contract that the health studio reserves
3 the right to make changes to the type or quantity of classes or
4 equipment offered and the changes to the type or quantity of classes
5 or equipment offered are reasonable under the circumstances.

6 (d) (1) If a contract for health studio services requires payment
7 of one thousand five hundred dollars (\$1,500) to two thousand
8 dollars (\$2,000), inclusive, including initiation fees or initial
9 membership fees, by the person receiving the services or the use
10 of the facility, the person shall have the right to cancel the contract
11 within 20 days after the contract is executed.

12 (2) If a contract for health studio services requires payment of
13 two thousand one dollars (\$2,001) to two thousand five hundred
14 dollars (\$2,500), inclusive, including initiation fees or initial
15 membership fees, by the person receiving the services or the use
16 of the facility, the person shall have the right to cancel the contract
17 within 30 days after the contract is executed.

18 (3) If a contract for health studio services requires payment of
19 two thousand five hundred one dollars (\$2,501) or more, including
20 initiation fees or initial membership fees, by the person receiving
21 the services or the use of the facility, the person shall have the
22 right to cancel the contract within 45 days after the contract is
23 executed.

24 (4) The right of cancellation provided in this subdivision shall
25 be set out in the membership contract.

26 (5) The rights and remedies under this paragraph are cumulative
27 to any rights and remedies under other law.

28 (6) A health studio entering into a contract for health studio
29 services that requires a payment of less than one thousand five
30 hundred dollars (\$1,500), including initiation or initial membership
31 fees and exclusive of interest or finance charges, by the person
32 receiving the services or the use of the facilities, is not required to
33 comply with paragraph (1), (2), or (3).

34 (e) Upon cancellation, the consumer shall be liable only for that
35 portion of the total contract payment, including initiation fees and
36 other charges however denominated, that has been available for
37 use by the consumer, based upon a pro rata calculation over the

- 1 term of the contract. The remaining portion of the contract payment
- 2 shall be returned to the consumer by the health studio.

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