

AMENDED IN SENATE JUNE 30, 2016

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~~ 1812.82, 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: *contracts: cancellation.*

Existing law ~~authorizes~~ *requires every health studio services contract to be in writing and that a copy of the written contract be given to the customer at the time he or she signs the contract.*

This bill would, in the alternative, require that the contract be delivered by email to the customer at the time he or she signs the contract.

Existing law requires the contract to include a statement that discloses the length of the term of the contract in at least 14-point type and requires the contract to contain on the first page the name and address of the health studio operator to which a notice of cancellation can be mailed and the date the buyer signed the contract.

This bill would, instead, require the contract to disclose the initial or minimum length of the term of the contract and would, in the

alternative, require the contract to be presented in an electronic format that is as equally legible as the printed contract.

Existing law requires the contract to provide a description of the services, facilities, and hours of access that the consumer is entitled to and provides that any services, facilities, and hours of access that are not described in the contract are to be considered optional services and as separate contracts, as specified.

This bill would, in the alternative, require a contract to state where the description of services, facilities, and hours of access that the consumer is entitled to is available on the health studio operator’s Internet Web site and would provide that any services, facilities, and hours of access that are not described in the contract or on the health studio operator’s Internet Web site are to be considered optional services and as separate contracts, as specified.

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

This bill would specify that a contract for health studio services may be canceled by the buyer in person, via email from an email address on file with the health studio, or via first-class ~~mail~~ mail, and would require that the email address to which a notice of cancellation email is to be sent be on the first page of the contract. 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 1812.82 of the Civil Code is amended to*
2 *read:*

3 1812.82. Every contract for health studio services shall be in
4 writing and shall be subject to the provisions of this title. A copy
5 of the written contract shall be *physically* given to *or delivered by*
6 *email* to the customer at the time he *or she* signs the contract.

7 ~~SECTION 1.~~

8 *SEC. 2. Section 1812.84 of the Civil Code is amended 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 *or presented in an equally*
11 *legible electronic format* that discloses the *initial or minimum*
12 length of the term of the contract. This statement shall be placed
13 above the space reserved for the signature of the buyer.

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

18 ~~SEC. 2.~~

19 *SEC. 3.* Section 1812.85 of the Civil Code is amended to read:

20 1812.85. (a) Every contract for health studio services shall
21 provide that performance of the agreed-upon services will begin
22 within six months after the date the contract is entered into. The
23 consumer may cancel the contract and receive a pro rata refund if
24 the health studio fails to provide the specific facilities advertised
25 or offered in writing by the time indicated. If no time is indicated
26 in the contract, the consumer may cancel the contract within six
27 months after the execution of the contract and shall receive a pro
28 rata refund. If a health studio fails to meet a timeline set forth in
29 this section, the consumer may cancel the contract at any time after
30 the expiration of the timeline. However, if following the expiration
31 of the timeline, the health studio provides the advertised or
32 agreed-upon services, the consumer may cancel the contract up to
33 10 days after those services are provided.

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

38 "You, the buyer, may choose to cancel this agreement at any
39 time prior to midnight of the fifth business day of the health studio
40 after the date of this agreement, excluding Sundays and holidays.

1 To cancel this agreement, mail, email, or deliver a signed and dated
2 notice that states that you, the buyer, are canceling this agreement,
3 or words of similar effect. The notice shall be sent via first-class
4 mail, via email from an email address on file with the health studio,
5 or delivered in person to

6
7 _____
8 (Name of health studio operator)
9 at _____
10 (Address and email address of health studio operator).”

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

19 (3) The contract shall provide a description of the services,
20 facilities, and hours of access to which the consumer is ~~entitled~~.
21 *entitled or state where that information is available on the health*
22 *studio operator’s Internet Web site*. Any services, facilities, and
23 hours of access that are not described in the contract *or on the*
24 *health studio operator’s Internet Web site* shall be considered
25 optional services, and these optional services shall be considered
26 as separate contracts for the purposes of this title and Section
27 1812.83.

28 (4) Until the health studio operator has complied with this
29 section, the buyer may cancel the contract for health studio
30 services.

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

35 (c) If at any time during the term of the contract, including a
36 transfer of the contractual obligation, the health studio eliminates
37 or substantially reduces the scope of the facilities, such as
38 swimming pools or tennis courts, that were described in the
39 contract, in an advertisement relating to the specific location, or
40 in a written offer, and available to the consumer upon execution

1 of the contract, the consumer may cancel the contract and receive
2 a pro rata refund. The consumer may not cancel the contract
3 pursuant to this subdivision if the health studio, after giving
4 reasonable notice to its members, temporarily takes facilities out
5 of operation for reasonable repairs, modifications, substitutions,
6 or improvements. This subdivision shall not be interpreted to give
7 the consumer the right to cancel a contract because of changes to
8 the type or quantity of classes or equipment offered, provided the
9 consumer is informed in the contract that the health studio reserves
10 the right to make changes to the type or quantity of classes or
11 equipment offered and the changes to the type or quantity of classes
12 or equipment offered are reasonable under the circumstances.

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

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

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

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

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

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

1 (e) Upon cancellation, the consumer shall be liable only for that
2 portion of the total contract payment, including initiation fees and
3 other charges however denominated, that has been available for
4 use by the consumer, based upon a pro rata calculation over the
5 term of the contract. The remaining portion of the contract payment
6 shall be returned to the consumer by the health studio.

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