



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

FITNESS CLUB CONTRACTS

House Bill 4559

Sponsor: Rep. Nick Ciaramitaro

Committee: Consumers

Complete to 4-15-91

A SUMMARY OF HOUSE BILL 4559 AS INTRODUCED 3-13-91

The bill would create the Physical Fitness Services Contract Act and would regulate prepaid or credit contracts between fitness clubs and similar entities and their customers. The bill would require that all such contracts be in writing and include an attachment stating the total assets, total debt, and number of years the service provider had been in business. The customer would have the right to cancel the contract in writing within three days after its execution, and the contract itself would have to notify the customer of that right in language specified by the bill. The provider would have to return any payments within 45 days after receiving a cancellation notice.

Each contract also would have to contain the following notice in ten-point boldface type: "We are required by state law to give you this notice. Be aware that you are paying for future services and may be risking the loss of your money if this business closes. We are required to provide you with our total assets, total debt, and the number of years we have been in operation. That information is attached."

A contract that did not comply with the bill would be voidable by the customer.