

STATE OF NEW YORK

4667--B

Cal. No. 129

2023-2024 Regular Sessions

IN ASSEMBLY

February 21, 2023

Introduced by M. of A. DINOWITZ, ZINERMAN, OTIS, SEAWRIGHT, GALLAGHER, STECK, DICKENS, JEAN-PIERRE, RAGA, HYNDMAN, L. ROSENTHAL -- Multi-Sponsored by -- M. of A. SIMON -- read once and referred to the Committee on Consumer Affairs and Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- ordered to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the general business law, in relation to the cancellation of a health club contract

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 624 of the general business law, as added by chap-
2 ter 630 of the laws of 1978, is amended to read as follows:
3 § 624. Rights of cancellation of contracts for services. 1. Every
4 contract for services at a planned health club or a health club under
5 construction shall, at the option of the buyer, be voidable in the event
6 that the health club and the services to be provided pursuant to such
7 contract are not available within one year from the date the contract is
8 executed by the buyer.
9 2. Every contract for services shall provide that such contract may be
10 cancelled within three business days after the date of receipt by the
11 buyer of a copy of the written contract. Notice of cancellation shall be
12 delivered by [~~certified or registered~~] United States mail or electronic
13 mail at the address or e-mail address specified in the contract. Such
14 contract shall contain the following written notice in at least [~~ten~~]
15 twelve point bold type: CONSUMERS RIGHT TO CANCELLATION. YOU MAY CANCEL
16 THIS CONTRACT WITHOUT ANY PENALTY OR FURTHER OBLIGATION WITHIN THREE (3)
17 BUSINESS DAYS FROM THIS DATE Notice of cancellation shall be
18 in writing subscribed by the buyer and mailed by [~~registered or certi-~~
19 ~~fied~~] United States mail or electronic mail to the seller at the address
20 or e-mail address specified in such form. Such notice shall be accompa-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [~~-~~] is old law to be omitted.

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1 nied by the contract forms, membership cards and any other documents or
2 evidence of membership previously delivered to the buyer. All moneys
3 paid pursuant to such contract shall be refunded within [~~fifteen~~ ten
4 business days of receipt of such notice of cancellation. If the buyer
5 has executed any credit or loan agreement to pay for all or part of
6 health club services, any such negotiable instrument executed by the
7 buyer shall also be returned within [~~fifteen~~ ten business days.

8 3. (a) Every contract for services shall provide that after such three
9 business day period for cancellation as provided in subdivision two of
10 this section, the buyer's estate may cancel a contract for services if
11 the buyer dies. The buyer may also cancel after three business days if
12 the buyer becomes significantly physically disabled for a period in
13 excess of [~~six~~ three months, or moves [~~his~~ their residence to a
14 location more than twenty-five miles from a health club operated by the
15 seller, or after the services are no longer available or substantially
16 available as provided in the contract because of the seller's permanent
17 discontinuance of operation or substantial change in operation. Nothing
18 contained herein shall restrict or prohibit the seller from offering or
19 providing in such contract additional or broader reasons for cancella-
20 tion. The seller may require reasonable evidence for a cancellation
21 pursuant to this subdivision.

22 (b) Such contract shall contain the following notice captioned in at
23 least [~~ten~~ twelve point bold type:

24 ADDITIONAL RIGHTS TO CANCELLATION:

25 You may also cancel this contract for any of the following reasons:

26 If upon a doctor's order, you cannot physically receive the services
27 because of significant physical disability for a period in excess of
28 [~~six~~ three months.

29 If you die, your estate shall be relieved of any further obligation
30 for payment under the contract not then due and owing.

31 If you move your residence more than twenty-five miles from any health
32 club operated by seller.

33 If the services cease to be offered as stated in the contract.

34 (c) All moneys paid pursuant to such contract cancelled for the
35 reasons contained in this subdivision shall be refunded within [~~fifteen~~
36 ten business days of receipt of such notice of cancellation; provided
37 however that the seller may retain the expenses incurred and the portion
38 of the total price representing the services used or completed, and
39 further provided that the seller may demand the reasonable cost of goods
40 and services which the buyer has consumed or wishes to retain after
41 cancellation of the contract. In no instance shall the seller demand
42 more than the full contract price from the buyer. If the buyer has
43 executed any credit or loan agreement to pay for all or part of health
44 club services, any such negotiable instrument executed by the buyer
45 shall also be returned within [~~fifteen~~ ten business days.

46 4. (a) Every contract for services shall provide that such health club
47 shall accept cancellation of a membership by the buyer or the buyer's
48 estate, as provided in this section, no later than three business days
49 after receiving notice of the cancellation.

50 (b) Where a contract for services is due for renewal on an annual
51 basis, such contract for services following the initial contract shall
52 provide that such health club shall accept cancellation of renewal of a
53 membership, by the buyer or the buyer's estate, provided such request is
54 made within fifteen business days after such renewal takes effect. Where
55 a contract for service is due for renewal on a monthly basis, such
56 contract for services following the initial contract shall provide that

1 such health club shall accept cancellation of renewal of a monthly
2 membership, by the buyer or the buyer's estate provided such request is
3 made within three business days after such renewal takes effect.

4 (c) Such health club shall accept notice of cancellation of a member-
5 ship through methods including, but not limited to, website, electronic
6 mail, telephone, mail, or in person.

7 (d) If a health club allows a buyer to enter into a contract for
8 services through a website, such health club shall accept a notice of
9 cancellation of such contract through such website in addition to the
10 methods provided pursuant to paragraph (c) of this subdivision.

11 § 2. This act shall take effect on the ninetieth day after it shall
12 have become a law.