STATE OF NEW YORK

932--A

2023-2024 Regular Sessions

IN SENATE

January 9, 2023

Introduced by Sen. PERSAUD -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

Section 1. Subdivision 2 of section 624 of the general business law, as added by chapter 630 of the laws of 1978, is amended and a new subdivision 4 is added to read as follows:

2. Every contract for services shall provide that such contract may be cancelled within three business days after the date of receipt by the buyer of a copy of the written contract. Notice of cancellation shall be delivered by [~~certified or registered~~] United States mail **or electronic mail** at the address **or e-mail address** specified in the contract. Such contract shall contain the following written notice in at least ten point bold type: CONSUMERS RIGHT TO CANCELLATION. YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR FURTHER OBLIGATION WITHIN THREE (3) DAYS FROM THIS DATE . . . . . Notice of cancellation shall be in writing subscribed by the buyer and mailed by [~~registered or certified~~] United States mail **or electronic mail** to the seller at the address **or e-mail address** specified in such form. Such notice shall be accompanied by the contract forms, membership cards and any other documents or evidence of membership previously delivered to the buyer. All moneys paid pursuant to such contract shall be refunded within fifteen business days of receipt of such notice of cancellation. If the buyer has executed any credit or loan agreement to pay for all or part of health club services, any such negotiable instrument executed by the buyer shall also be returned within fifteen days.

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

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4. Every contract for services shall provide that such health club shall accept cancellation of a membership by the buyer or the buyer's estate within twenty-four hours of receiving notice of the cancellation. For such cancellation of a membership to be accepted by the health club within twenty-four hours of receiving notice of cancellation under this subdivision, the cancellation shall be submitted either (a) within the first thirty-six hours of the purchase of a membership, or (b) after the full term of the membership is completed. Such health clubs shall accept notice of cancellation of a membership through methods including, but not limited to, the internet, telephone, mail, or in person.

§ 2. This act shall take effect immediately.