

SECOND REGULAR SESSION

HOUSE BILL NO. 2065

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SCHNEIDER.

6304L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 407.325 and 407.334, RSMo, and to enact in lieu thereof two new sections relating to merchandising practices at health spas.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 407.325 and 407.334, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 407.325 and 407.334, to read as follows:

407.325. As used in sections 407.325 to 407.340, the following terms shall mean:

(1) "Business day", any day except a Sunday or a legal holiday;

(2) "Buyer", a natural person who enters into a health spa contract;

(3) "Contract price", the sum of all monthly fees except interest required by the health spa contract and any nonrecurring fee charged at or near the beginning of a health spa membership;

(4) "Health spa", any person, firm, corporation, organization, club or association engaged in the sale of memberships in a program of physical exercise, which includes the use of one or more of a sauna, whirlpool, weight-lifting room, massage, steam room, or exercising machine or device, or engaged in the sale of the right or privilege to use exercise equipment or facilities, such as a sauna, whirlpool, weight-lifting room, massage, steam room or exercising machine or device. The term "health spa" shall not include the following:

(a) [Bona fide nonprofit organizations, including, but not limited to, the Young Men's Christian Association, Young Women's Christian Association, or similar organizations whose functions as health spas are only incidental to their overall functions and purposes;

(b)] Any private club owned and operated by its members;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 [(c)] (b) Any organization primarily operated for the purpose of teaching a particular
18 form of self-defense such as judo or karate;

19 [(d)] (c) Any facility owned or operated by the United States;

20 [(e)] (d) Any facility owned or operated by the state of Missouri or any of its political
21 subdivisions;

22 [(f)] (e) Any nonprofit public or private school, college or university; and

23 [(g)] (f) Any facility owned or operated by any person, firm, corporation, organization,
24 club or association, engaged in the sale of the right or privilege to use such facility when the
25 proceeds of the sale of such rights or privileges accounts for twenty percent or less of the gross
26 annual receipts of the person, firm, corporation, organization, club or association;

27 (5) "Health spa contract", a written agreement whereby the buyer of health spa services
28 purchases, or becomes obligated to purchase, health spa services to be rendered over a period
29 longer than three months; and the seller of health spa services receives payment to cover a period
30 more than three months;

31 (6) "Health spa services", services, privileges, or rights offered for sale or provided by
32 a health spa;

33 (7) "Monthly fee", the total consideration, including but not limited to, equipment or
34 locker rental, credit check, finance, medical and dietary evaluation, class and training fees, and
35 all other similar fees or charges and interest, but excluding any nonrecurring fee charged at or
36 near the beginning of a health spa membership, to be paid by a buyer, divided by the total
37 number of months of health spa service use allowed by the buyer's contract, including months
38 or time periods called "free" or "bonus" months or time periods and such months or time periods
39 which are described in any other terms suggesting that they are provided free of charge, which
40 months or time periods are given or contemplated when the contract is initially executed;

41 (8) "Prepayment", payment of any consideration for services or the use of facilities made
42 prior to the day on which the services or facilities of the health spa are fully open and available
43 for regular use by the members.

407.334. 1. Every health spa contract shall be signed by the buyer, shall designate the
2 date on which the buyer actually signed the contract and a copy of the contract shall be delivered
3 to the buyer at the time the contract is executed.

4 2. No health spa contract shall have a duration for a period longer than thirty-six months,
5 but the contract may give the buyer a right of renewal.

6 3. Any health spa contract which does not comply with the applicable provisions of
7 section 407.330 shall be voidable at the option of the buyer.

8 4. Any waiver by the buyer of any of the provisions of section 407.330 shall be deemed
9 contrary to public policy and shall be void and unenforceable.

10 **5. No health spa contract allowing for, or requiring, electronic funds transfer shall**
11 **have a duration of more than twelve months, and the first date and last date of any such**
12 **electronic funds transfer shall be stated in the contract.**

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