

MAR 12 1999

COMMERCE AND REGULATION

HOUSE FILE
BY MURPHY

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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____, Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the length and terms of a physical exercise
2 club contract and providing for the applicability of the Act.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 552.8, Code 1999, is amended to read as
2 follows:

3 552.8 DURATION OF CONTRACT -- RENEWAL.

4 A physical exercise club contract shall not have a duration
5 longer than thirty-six months. ~~if-a~~ A physical exercise club
6 offers may offer a contract of more-than-twelve-months
7 duration, -it-shall-also-offer-a-twelve-month-contract any
8 length up to the maximum of thirty-six months. In addition to
9 any other contract length, a physical exercise club shall
10 offer a contract which is paid on a month-to-month basis and
11 which may be canceled by the buyer at any time after thirty
12 days' written notice of the cancellation. A physical exercise
13 club contract shall not contain an automatic renewal clause.

14 Sec. 2. APPLICABILITY. This Act applies to a physical
15 exercise club agreement entered into on or after the effective
16 date of this Act, and to the renewal of a physical exercise
17 club agreement in existence on the effective date of this Act,
18 upon the expiration of its existing term.

19 EXPLANATION

20 This bill provides that a physical exercise club must offer
21 a contract which is paid on a month-to-month basis and which
22 may be canceled by the buyer at any time after 30 days written
23 notice. Currently, the length of such contract is limited to
24 a maximum of three years and a requirement that if the
25 physical exercise club offers a contract of more than 12
26 months' duration, it must also offer a 12-month contract. The
27 bill provides that the Act applies to a physical exercise club
28 agreement entered into on or after the effective date of the
29 bill, and to the renewal of a physical exercise club agreement
30 in existence on the effective date of the bill, upon the
31 expiration of its existing term.

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