

## **HEALTH CLUB REGISTRATION INSTRUCTION SHEET**

### **GENERAL REQUIREMENTS**

- The Pennsylvania Health Club Act (“HCA”) contains registration and operational requirements for health clubs including the following:
- Health clubs which provide health club services pursuant to a health club contract must register with the Director of the Bureau of Consumer Protection (“Director”).
- Some health clubs that enter into health club contracts must file and maintain financial security with the Director (financial security means a bond or a letter of credit).
- All health club contracts must contain certain provisions and notices (that are specifically provided within the HCA).
- All health clubs must employ a person certified to administer CPR.

### **WHO MUST REGISTER**

A health club must register if it engages in the advertising, offering for sale, selling or providing of health club services pursuant to a health club contract. A “health club” is defined in Section 2 of the HCA as any business that sells memberships in a “health spa, racquet club, figure salon, weight reduction center” or other physical fitness facility. A “health club contract” is defined as an agreement providing for the purchase or obligation to purchase health club services that will be provided over a period of more than (3) months. This means that if your health club operates and writes membership contracts for more than (3) months you must register your health club with the Bureau of Consumer Protection. Certain programs, organizations and facilities are excluded from the definition of the term “health club” (refer to Section 2 of the HCA regarding these exclusions).

### **HOW DOES A HEALTH CLUB REGISTER**

Registration is accomplished by filing a Health Club Registration Application with the Director. A Health Club Registration Application must be filed for each health club location. This means that if a business owns several health clubs, a separate Health Club Registration Application must be filed for each location.

- A health club must file a Registration Application at least thirty (30) days prior to advertising, offering for sale or selling health club services.

- An updated Registration Application must be filed whenever there is a material change in the information provided in a health club's registration application including any changes regarding the ownership, location or financial security provided by the health club.

### **WHICH HEALTH CLUBS MUST FILE FINANCIAL SECURITY**

Health clubs that enter into health club contracts must file a bond or a letter of credit with the Director (See Section 11 of the HCA and copies of a sample bond and a sample letter of credit are enclosed with this registration packet). An exemption from the financial security requirement is provided for in Section 13 of the HCA (see the HCA and the paragraph below).

- A health club must file a Certification of Compliance and the original bond or letter of credit when the health club is initially registered.
- A health club that files a bond or letter of credit is required to certify by June 1 of each year that its bond or letter of credit remains in effect. This certification letter will be mailed to you each year and must be completed and returned to the Bureau of Consumer Protection.

### **WHICH HEALTH CLUBS ARE EXEMPT FROM FINANCIAL SECURITY**

A health club may be exempt from filing financial security if the club qualifies under all provisions of Section 13 of the HCA. An exempt health club must use contracts which comply with all other provisions of the HCA plus:

- The term of any health club contract used cannot exceed twelve (12) months.
- Payments under the contract must be collected in equal monthly installments.
- Any initiation fee paid cannot exceed the lesser of six (6) monthly installments or the actual cost of establishing the initial health club membership.
- The health club contract must contain the statement set forth in Section 13(1) of the HCA indicating that payments due under the contract will terminate if the health club ceases operation and fails to offer a comparable location within ten (10) miles.
- A consumer cannot be required to make any other types of payments except monthly payments and an initiation fee.

A health club must file a Certificate of Exemption when the health club is initially registered.

## **HEALTH CLUB CONTRACT**

Every health club contract must be in writing and submitted to the Director with the Health Club Registration Application. The HCA requires every health club to include certain contractual provisions in its health club contract (See Section 3 as well as other provisions of the Act). **Please consult your attorney prior to sending the health club contract to the Director to ensure it is HCA compliant. The registration application cannot be processed until all application materials are complete and the health club contract is approved.**

## **WHERE ARE REGISTRATIONS FILED**

A health club should forward its completed Health Club Registration Application, Certificate of Compliance or Certificate of Exemption, and a blank copy of its contract(s), and any agreement(s) and promissory note(s) to the following address:

Office of Attorney General  
Bureau of Consumer Protection  
Health Club Registration Section  
15<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120

## **PENALTIES FOR FAILURE TO COMPLY**

The HCA provides both civil and criminal penalties for noncompliance.

- Under Section 17, a club that fails to register commits a misdemeanor of the second degree.
- Under Section 11, a club that fails to obtain and maintain financial security commits a misdemeanor of the second degree.
- For any violations of the HCA, including failure to register, civil penalties up to \$3,000.00 per violation under the Unfair Trade Practices and Consumer Protection Law.