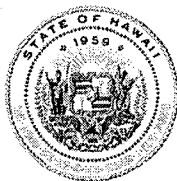


SB 2137

Measure Title:
RELATING TO HEALTH CLUBS.

Report Title:
Health Clubs; Cancel or Suspend Membership; Deployed Military



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OFFICE OF CONSUMER PROTECTION**

**TO THE SENATE COMMITTEES ON PUBLIC SAFETY AND MILITARY AFFAIRS
AND COMMERCE AND CONSUMER PROTECTION**

**TWENTY-FIFTH STATE LEGISLATURE
Regular Session 2010**

**Tuesday, February 9, 2010
1:15 p.m.**

TESTIMONY ON SENATE BILL NO. 2137 -- RELATING TO HEALTH CLUBS.

**TO THE HONORABLE WILL ESPERO AND ROSALYN H. BAKER, CHAIRS, AND
MEMBERS OF THE COMMITTEES:**

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to comment on Senate Bill No. 2137, Relating to Health Clubs. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection ("OCP").

Senate Bill No. 2137 seeks to allow military personnel deployed outside the State on federal active duty to cancel or suspend health club membership at any time during the contract term under certain conditions. While the Service Members Civil Relief Act provides benefits to military personnel who are deployed on active duty in the context of

rental agreements, credit card interest rates, income tax payment, and other items, it is unclear whether its provisions would also allow a service member to cancel their health club contract. Since Hawaii's health club law already allows certain eligible persons to cancel their health club contract in the event of a disability it seems logical and consistent to extend a similar right of cancellation to military personnel, who by virtue of their patriotic duty, will be unable to use the facilities of their health club.

One area of concern with the present language of the bill is that it does not appear to allow a deployed service member from receiving any refund if they cancel the contract pursuant to its provisions. Thus it is possible that a service member who enters into a contract with a health club for \$500 only two weeks before receiving their deployment orders may not be able to recover any monies. An additional area of concern is the provision relating to a health club's reimbursement expenses. In this regard it does not appear to be appropriate for a health club to be able to recover up to 25% of the total contract price as an administrative cost relating to the processing of the cancellation since the actual amount of work involved may be minimal.

Thank you for this opportunity to testify on Senate Bill No. 2137. I will be happy to answer any questions that the Committees members may have.