

# SENATE BILL REPORT

## SB 5810

---

---

As of March 4, 2005

**Title:** An act relating to health studio services.

**Brief Description:** Concerning contracts for health studio services.

**Sponsors:** Senator Fairley.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Consumer Protection: 2/16/05.

---

### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & CONSUMER PROTECTION

**Staff:** Joyce Ahlering (360-786-7486)

**Background:** In the past, the legislature has worked to protect state citizens against the financial burdens of some health studio contracts. For example, studios are required to print out and advertise all of their fees on paper, enter into clear and conspicuous contracts in writing, and notify buyers of the right to cancel.

Recent concerns have been raised that some health studios in the state are charging buyers excessive fees.

**Summary of Bill:** With the exception of tennis, platform tennis, and racquetball facilities, a health studio contract is to cost no more than 3,600 dollars per year. Besides the initial down payment, payments must be made in equal amounts, and cannot come due more than once a month. Contract payments may not extend beyond one month after the contract expiration date, and contracts cannot contain automatic renewal clauses.

Finally, a promissory note for studio contract payment to a third party may not block a buyer's defense against the studio.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Some taekwondo studios in the state are charging students excessive fees for multiple course participation. This results in the layering of course contracts, costing a single student as much as 35,000 dollars a year.

**Testimony Against:** None.

**Who Testified:** PRO: Michael Vincent, Michael Rothwell, Ben Andersen, former taekwondo students.