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SENATE BILL NO. 598

Offered January 13, 2014

A *BILL to amend and reenact § 59.1-296 of the Code of Virginia, relating to the Virginia Health Spa Act; exclusion for dojos.*

Patron—Locke

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 59.1-296 of the Code of Virginia is amended and reenacted as follows:****§ 59.1-296. Definitions.**

As used in this chapter:

"Business day" means any day except a Sunday or a legal holiday.

"Buyer" means a natural person who enters into a health spa contract.

"Commissioner" means the Commissioner of Agriculture and Consumer Services, or a member of his staff to whom he may delegate his duties under this chapter.

"Comparable alternate facility" means a health spa facility that is reasonably of like kind, in nature and quality, to the health spa facility originally contracted, whether such facility is in the same location but owned by a different health spa or is at another location of the same health spa.

"Contract price" means the sum of the initiation fee, if any, and all monthly fees except interest required by the health spa contract.

"Facility" means a location where health spa services are offered as designated in a health spa contract.

"Health spa" means any person, firm, corporation, organization, club or association whose primary purpose is to engage in the sale of memberships in a program consisting primarily of physical exercise with exercise machines or devices, or whose primary purpose is to engage in the sale of the right or privilege to use exercise machines or devices. The term "health spa" shall not include the following: (i) 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; (ii) any private club owned and operated by its members; (iii) ~~any organization primarily operated for the purpose of teaching a particular form of self-defense such as judo or karate;~~ (iv) any facility owned or operated by the United States; ~~(v) (iv)~~ any facility owned or operated by the Commonwealth of Virginia or any of its political subdivisions; ~~(vi) (v)~~ any nonprofit public or private school, college or university; ~~(vii) (vi)~~ any club providing tennis or swimming facilities located in a residential planned community or subdivision, developed in conjunction with the development of such community or subdivision, and deriving at least 80 percent of its membership from residents of such community or subdivision; and ~~(viii) (vii)~~ any facility owned and operated by a private employer exclusively for the benefit of its employees, retirees, and family members and which facility is only incidental to the overall functions and purposes of the employer's business and is operated on a nonprofit basis.

"Health spa contract" means an agreement whereby the buyer of health spa services purchases, or becomes obligated to purchase, health spa services.

"Health spa services" means and includes services, privileges, or rights offered for sale or provided by a health spa.

"Initiation fee" means a nonrecurring fee charged at or near the beginning of a health spa membership, and includes all fees or charges not part of the monthly fee.

"Monthly fee" means the total consideration, including but not limited to, equipment or locker rental, credit check, finance, medical and dietary evaluation, class and training fees, and all other similar fees or charges and interest, but excluding any initiation fee, to be paid by a buyer, divided by the total number of months of health spa service use allowed by the buyer's contract, including months or time periods called "free" or "bonus" months or time periods and such months or time periods which are described in any other terms suggesting that they are provided free of charge, which months or time periods are given or contemplated when the contract is initially executed.

"Out of business" means the status of a facility that is permanently closed and for which there is no comparable alternate facility.

"Prepayment" means payment of any consideration for services or the use of facilities made prior to the day on which the services or facilities of the health spa are fully open and available for regular use by the members.

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SB598

59 "Relocation" means the provision of health spa services by the health spa that entered into the
60 membership contract at a location other than that designated in the member's contract.