Senate Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

CHAPTER 30

SENATE BILL 1407

AN ACT

AMENDING SECTION 44-1793, ARIZONA REVISED STATUTES; RELATING TO HEALTH SPAS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 44-1793, Arizona Revised Statutes, is amended to read:

44-1793. Contract form; conspicuous statement of costs; duration and cancellation

A. Every contract for health spa services shall be in writing and subject to the provisions of this article. A copy of the written contract shall be given to the customer at the time the customer signs the contract.

B. A contract for health spa services shall specifically set forth in a conspicuous manner on the top of the first page of the contract the customer's total payment obligation for health spa services to be received pursuant to the contract.

C. Services to be rendered to the customer under the contract shall not extend for more than three years from the date the contract is signed by the customer.

D. A contract for new or increased health spa services may be cancelled by the customer for any reason at any time before midnight of the third operating day after the customer received a copy of the contract. In order to cancel a contract the customer shall notify the health spa of cancellation in writing, by ~~registered~~ CERTIFIED mail, return receipt requested, or BY personal delivery, to the address specified in the contract. All monies paid pursuant to the cancelled contract shall be fully refunded within thirty days of receipt of the notice of ~~cancellaton~~ CANCELLATION. If the customer has executed any credit or loan agreement through the health spa to pay for all or part of health spa services, any such negotiable instrument executed by the customer shall also be returned within thirty days. The contract shall contain a conspicuous notice printed in at least ten-point bold-faced type as follows:

"Notice to customer

You are entitled to a copy of this contract at the time you sign it.

You may cancel this contract at any time before midnight of the third operating day after receiving a copy of this contract. If you choose to cancel this contract, you must either:

1. Send a signed and dated written notice of cancellation by ~~registered~~ CERTIFIED mail, return receipt requested; or

2. Personally deliver a signed and dated written notice of cancellation to:

(name of health spa)

(address of health spa).

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. If the third operating day falls on a Sunday or holiday, notice is timely given if it is mailed or delivered as specified in this notice on the next operating day. Refunds must be made within thirty operating days of receipt of the cancellation notice by the health spa.

'Operating day' means any CALENDAR day on which patrons may inspect and use the facilities and services of the health spa during a period of at least eight hours."

E. A contract for health spa services shall provide that it is subject to cancellation by notice sent by ~~registered~~ CERTIFIED mail, return receipt requested, or personally delivered to the address of the health spa specified in the contract upon the customer's death or permanent disability. ~~In a cancellation under this subsection, the health spa may retain the portion of the total contract price representing the services used plus reimbursement for the expenses incurred in an amount not to exceed twenty-five per cent of the total contract price.~~

F. A contract for health spa services shall provide that it is subject to cancellation by notice sent by ~~registered~~ CERTIFIED mail, return receipt requested, or personally delivered, to the address of the health spa specified in the contract upon the customer's change of permanent residence to a location more than twenty-five miles from the health spa or an affiliated health spa offering the same or similar services and facilities at no additional expense to the customer.

G. A CONTRACT FOR HEALTH SPA SERVICES SHALL PROVIDE THAT IT IS SUBJECT TO CANCELLATION OR SUSPENSION BY NOTICE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR PERSONALLY DELIVERED, TO THE ADDRESS OF THE HEALTH SPA SPECIFIED IN THE CONTRACT IF THE CUSTOMER IS A MEMBER OF THE UNITED STATES MILITARY, INCLUDING A MEMBER OF THE NATIONAL GUARD OR A RESERVE UNIT, AND IS SERVING ON FEDERAL ACTIVE DUTY AND DEPLOYED OUTSIDE THIS STATE. THE REQUEST FOR CANCELLATION OR SUSPENSION MUST BE MADE BY THE MEMBER OR THE MEMBER'S LEGALLY DESIGNATED REPRESENTATIVE, MUST INCLUDE A COPY OF THE MEMBER'S OFFICIAL MILITARY ORDERS OR A WRITTEN VERIFICATION FROM THE MEMBER'S COMMANDING OFFICER AND MUST BE MADE WITHIN NINETY DAYS AFTER THE MEMBER RECEIVES NOTICE OF SERVING ON FEDERAL ACTIVE DUTY AND DEPLOYMENT OUTSIDE THIS STATE. IF THE CONTRACT IS SUSPENDED UNDER THIS SUBSECTION, THE HEALTH SPA SHALL NOT CHARGE ANY FEES TO REINSTATE THE CONTRACT AND SHALL MAINTAIN THE ORIGINAL PAYMENT OBLIGATIONS SET FORTH IN THE ORIGINAL CONTRACT. A CONTRACT THAT IS SUSPENDED UNDER THIS SUBSECTION IS SUBJECT TO CANCELLATION TWO YEARS AFTER THE DATE OF SUSPENSION IF THE CUSTOMER FAILS TO REINSTATE THE CONTRACT.

H. In a cancellation under ~~this~~ subsection E, F OR G, the health spa may retain the portion of the total contract price representing the services used plus reimbursement for the expenses incurred in an amount not to exceed twenty-five per cent of the total contract price.

APPROVED BY THE GOVERNOR JULY 9, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 9, 2009.

Passed the House July 1, 20 09,

by the following vote: 52 Ayes,

3 Nays, 5 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate June 25, 20 09,

by the following vote: 28 Ayes,

1 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

1st day of July, 20 09

at 8:53 o'clock A. M.

Secretary to the Governor

Approved this 9th day of

July, 20 09,

at 3:22 o'clock P M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 9 day of July, 2009,

at 4:15 o'clock P. M.

Secretary of State

S.B. 1407