Compliance with Health and Fitness State Laws: Background, Best Practices and Key Takeaways for Health and Fitness Club Owners

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We have found that most business owners desire to run their club, studio or other fitness facility in compliance with all applicable laws. However, the problem is the difficulty in obtaining complete and accurate information regarding which laws are applicable to their business. Therefore, the purpose of this article to:

(i) Provide information as to where club, studio and other fitness facility owners can find the relevant state laws;

(ii) Provide a general overview concerning the various definitions of “health and fitness facility” and how that definition varies from state to state (examples from New York, Colorado, Texas, Florida and Illinois statutes);

(iii) Examine a few of the more common statutes and regulations that show up in most states; along with general comments and analysis regarding these state statutes; and

(iv) Provide business owners with key takeaways and considerations when determining how to best comply with all applicable laws.

For purposes of this article, we focus solely on specific state laws that apply strictly to club, studio and fitness facilities. For further clarity, this means any laws that are generally applicable to all business (wage/hour laws, general corporation/LLC laws, etc.) will not be covered by this article but are still important for business owners to be aware of and follow.

I. Where Can Business Owners Find the Applicable State Laws?

Most of the 50 states have provided electronic access to their state laws. Through a simple Google search, you should be able to find your state’s applicable laws online. After locating the entire index of your state’s applicable laws, the difficult part is searching through potentially thousands of laws to determine which laws are applicable to your facility.

By way of example, after semi-extensive research, we located the applicable “health and fitness facility” state laws for New York, Colorado, Texas, Florida and Illinois. Some of these “health and fitness facility” laws are set forth in the following links:


If you cannot locate the state laws that are applicable to your fitness facility, an attorney well-versed in the health and fitness industry should be able to assist you or provide you with the relevant “health and fitness facility” laws.

II. How Do States Define “Health and Fitness Facility”?  

There is a wide variety of definitions as to what constitutes a “health and fitness facility” depending on which state laws you are examining. It is important that you find and analyze your state’s particular definition of a health and fitness facility to prevent future issues (and fines) from non-compliance.

New York uses the term “health club” and defines it as any “person, firm, corporation, partnership, unincorporated association, or other business enterprise offering instruction, training or assistance or the facilities for the preservation, maintenance, encouragement or development of physical fitness or well-being . . . such term shall include but not be limited to health spas, sports, tennis, racquetball, platform tennis and health clubs, figure salons, health studios, gymnasiums, weight control studios, martial arts and self-defense schools or any other similar course of physical training.”

Similarly yet distinctly, Colorado also uses the term “health club” but defines it as “an establishment which provides health club services or facilities which purport to improve or maintain the user’s physical condition or appearance through exercise . . . the term may include but is not limited to a spa, exercise club, exercise gym, health studio, or playing courts...the term shall not apply to the following: any establishment operated by a nonprofit, or public/private school/college, any establishment operated by government, any establishment which doesn’t provide the health club services or facilities as its primary purpose, and health care facilities licensed or certified by the department of public health and environment.”

While both New York and Colorado use “health club” as a catch-all for health and fitness facilities, New York delves more deeply into the specifics of exactly what types of activities fall under the definition of a health club, while Colorado speaks about the activities more broadly. This distinction may lead to more fitness related facilities being subject to the health and fitness statutes in Colorado.

Texas uses the term “health spa” and defines it as “a business that offers for sale or sells members instruction in or the use of facilities for a physical exercise program . . . which doesn’t include: private club owned/operated by its members, aerobic/dance studios, physical rehabilitation facility, an activity conducted or sanctioned by a school and a hospital or clinic.” This broad definition differentiates itself from both New York and Colorado by listing what does not fall under the definition instead of what does fall under the definition. It also allows for a greater variance in the types of facilities that could fall under the umbrella of a health spa.

Florida uses the term “health studio” which is “any person who is engaged in the sale of services for instruction, training, or assistance in a program of physical exercise or in the sale of services for the right or privilege to use equipment or facilities in furtherance of a program of physical exercise.” Florida’s definition, similarly to Texas’ definition, provides more emphasis on the sale of services than the physical establishment and allowed activities as provided in New York and Colorado’s definitions.

Finally, Illinois defines “physical fitness center” as “any person or business entity offering physical fitness services to the public . . . physical fitness services includes instruction, training or assistance in physical culture, bodybuilding, exercising, weight reducing, figure development, judo, karate, self-defense training, or any similar activity; use of the facilities of a physical fitness center for any of the above activities; or membership in any group formed by a physical fitness center for any of the above purposes.” Similarly to New York, Illinois is very specific as to the types of activities that constitute a physical fitness center.

The purpose in highlighting the differences in these state statutes is to demonstrate the importance in understanding the definitions of health and fitness clubs in each state, which allows you to determine if the laws are applicable to your business. As mentioned above, the failure to understand which statutes apply to your business could result in fines and other penalties down the road.

III. What are Some of the More Common Health and Fitness Statutes?

In analyzing the different health and fitness clubs statutes, several common themes arise. Perhaps the most obvious theme is consumer protection from deceptive sales and trade practices. New York’s legislature specifically outlines its purpose in creating its health club statute by declaring that the statutes was created to “safe-guard the public and the ethical health club industry against deception and financial hardship, and to foster
and encourage competition, fair dealing, and prosperity in the field of health club services.”

Every state we examined included language in its statutes that provides the consumer with the right to:

(i) Rescind contracts within a certain time period after signing up;

(ii) Cancel his or her membership if their household moves between 5-25 miles from the location of the establishment where the consumer entered into the contract; and/or

(iii) Establish limits on membership fees and the length of the membership contract.

By way of example, in California every membership contract must include the following language in 10-point boldface type: “You, the buyer, may cancel this agreement at any time prior to midnight of the fifth business day of the health studio after the date of this agreement, excluding Sundays and holidays. To cancel this agreement, mail or deliver a signed and dated notice, or send a telegram which states that you, the buyer, are canceling this agreement, or words of similar effect. The notice shall be sent to: (name and address of facility operator).” Some of the applicable California statutes (but not necessarily all of the relevant statutes) can be viewed at these two links: http://www.leginfo.ca.gov/cgi-bin/displaycode?section=civ&group=01001-02000&file=1812.80-1812.98 and/or http://www.dca.ca.gov/publications/legal_guides/w-10.shtml.

In addition to the three concepts listed above, most states require health and fitness facilities to maintain a pre-opening escrow account to protect customers in the event that the facility fails to open the facility within a defined period of time. For example, in Texas, if a health club does not open before the 181st day after it sells its first membership, members will receive a full refund of their prepayment.

Other common statutory requirements include that the membership contract must be in writing and provide a description of the services, facilities and hours of access, the facility must have a certificate of registration with the state, and the customer must receive a copy of the written contract. Additionally, many state statutes include language that a membership contract is void if a member enters into the contract under false or misleading information provided by the owner. This broad catch all is often invoked by customers seeking to get out of their membership (whether rightfully or wrongfully).

Another area of variance among state statutes is membership contract cancellation policies. As stated above, almost all states require that the club or fitness facility allow a member to terminate the membership agreement if the member moves some specific distance from the gym location (the actual distance varies from state-to-state). Also, most states have statutes that allow members to cancel their policies if the facility does not provide advertised services, fails to provide alternative facilities if the facility contracted for is forced to close or does not open on time, and if a member can no longer use the facility’s services due to a significant injury or disability in excess of six months.

As an example, Illinois’ statutes contain a simple cancellation policy where a customer may cancel his or her membership within three days of signing the contract for a physical fitness center that is open, or within 7 days of signing a contract for a club that has not yet opened. California, on the other hand, uses a sliding contract price scale to determine when a client has a right to cancel their membership: if the contract is $1,500-$2,000, the customer has a right to cancel within 20 days, $2,000-$2,500 and the customer has a right to cancel within 30 days, and if the contract is for more than $2,501 the customer has a right to cancel within 45 days of signing the contract. Finally, Texas requires that if a facility closes it must provide alternative facilities not more than 10 miles from the original location or it must pay a full refund to its customers of any pre-paid fees.

IV. Key Takeaways for Health and Fitness Clubs

Health and fitness club owners need to be mindful that every state has its own unique statutes and regulations that are applicable to any health and fitness clubs located in that state. These state statutes govern many aspects of their operations, including, but not limited to how they obtain customers and what needs to be included in their membership contracts.

At a minimum, club and fitness facility owners should review their existing form membership contract(s) to make sure they include the concepts discussed above; provided further, club owners need to specifically make sure that their form membership agreement(s) are compliant with all applicable laws, including sometime hard to find state statutes.

Further, national club and fitness facilities need to adjust their form membership contract on a state-by-state basis to ensure proper compliance (i.e. have a specific membership contract for their New York facilities, a different membership contract for their Florida facilities, etc.). Failure to do so can result in fines into the hundreds of thousands of dollars, as some states
enforce their laws on a per occurrence (per membership) basis.

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