

1993 Assembly Bill 68

Date of enactment: **April 8, 1994**
Date of publication*: **April 22, 1994**

1993 WISCONSIN ACT 239

AN ACT to repeal 134.70 (13) (b) 1. c.; to renumber and amend 134.70 (1) (bm); and to amend 134.70 (title), 134.70 (1) (ag), 134.70 (1) (c), 134.70 (5m), 134.70 (6m) (intro.), 134.70 (9), 134.70 (13) (a), 134.70 (13) (b) 1. (intro.) and 134.70 (13) (b) 3 of the statutes, relating to: reducing the required amount of financial responsibility that must be established by certain weight reduction centers.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 134.70 (title) of the statutes is amended to read:

134.70 (title) Fitness center and weight reduction center contracts.

SECTION 2. 134.70 (1) (ag) of the statutes is amended to read:

134.70 (1) (ag) "Center" means a fitness center or a diet weight reduction center.

SECTION 3. 134.70 (1) (bm) of the statutes is renumbered 134.70 (1) (e) and amended to read:

134.70 (1) (e) "Diet Weight reduction center" means an establishment that provides as its primary purpose instruction, supervision or counseling for diet or weight loss or maintenance, if physical exercise services are not provided on the premises.

SECTION 4. 134.70 (1) (c) of the statutes is amended to read:

134.70 (1) (c) "Fitness center" means an establishment that, for profit, provides as its primary purpose services or facilities that are purported to assist patrons in physical exercise, in weight control, or in figure development, including but not limited to a fitness center, studio, salon or club. "Fitness center" does not include an organization solely offering training or facilities in an individual sport or a diet weight reduction center.

SECTION 5. 134.70 (5m) of the statutes is amended to read:

134.70 (5m) Every contract for diet weight reduction center services shall be for a specified length of time not exceeding 2 years exclusive of any weight maintenance program. If the contract for diet weight reduction center services includes a weight maintenance program, the contract for diet weight reduction center services shall be for a specified length of time not exceeding 3 years. The contract for diet weight reduction center services shall clearly disclose the full price of the buyer's contractual obligation including any interest or other charges.

SECTION 6. 134.70 (6m) (intro.) of the statutes is amended to read:

134.70 (6m) (intro.) Every contract for diet weight reduction center service shall contain:

SECTION 7. 134.70 (9) of the statutes is amended to read:

134.70 (9) No contract for fitness center services may require a buyer who exercises the contractual right to cancel to pay more than a \$3 user fee per day of actual use of facilities and services by the buyer during the cancellation period. No contract for diet weight reduction center services may require a buyer who exercises the contractual right to cancel to pay more than the value of services provided before cancellation.

SECTION 8. 134.70 (13) (a) of the statutes is amended to read:

134.70 (13) (a) Subject to sub. (8), no center may collect or by contract require a buyer to pay more than \$75 \$100 for center services before the buyer receives or has the opportunity to receive those services unless the center

1993 Assembly Bill 68

establishes, for each center location, proof of financial responsibility as described in par. (b).

SECTION 9. 134.70 (13) (b) 1. (intro.) of the statutes is amended to read:

134.70 (13) (b) 1. (intro.) Except as provided in subd. 3, a center may establish proof of financial responsibility required under par. (a) by maintaining an established escrow account approved by the department of justice for all amounts received from buyers in advance of the receipt of services or by maintaining any of the following commitments approved by the department of justice in an amount not less than \$25,000, subject to subd. 2:

SECTION 10. 134.70 (13) (b) 1. c. of the statutes is repealed.

SECTION 11. 134.70 (13) (b) 3. of the statutes is amended to read:

134.70 (13) (b) 3. For 6 or more ~~diet~~ weight reduction

centers owned or operated under the same trade name, the amount of the financial commitment under ~~par. (a)~~ pars. (a) and (b) for those ~~diet~~ weight reduction centers is not required to exceed a total of \$150,000. For a weight reduction center that submits to the department of justice evidence satisfactory to the department of justice that the weight reduction center collected a total of \$50,000 or more but less than \$100,000 from buyers of its center services in the previous calendar year, the amount of the financial commitment under pars. (a) and (b) is not required to exceed \$10,000. For a weight reduction center that submits to the department of justice evidence satisfactory to the department of justice that the weight reduction center collected less than a total of \$50,000 from buyers of its center services in the previous calendar year, the amount of the financial commitment under pars. (a) and (b) is not required to exceed \$5,000.