

REFERENCE TITLE: health spa contracts; cancellation; notice

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

## **HB 2697**

Introduced by  
Representative Wilmeth

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 44-1793. Contract form; conspicuous statement of costs;  
5 duration and cancellation

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

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

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

17 D. A contract for new or increased health spa services may be  
18 ~~cancelled~~ CANCELED by the customer for any reason at any time before  
19 midnight of the third operating day after the customer received a copy of  
20 the contract. In order to cancel a contract the customer shall notify the  
21 health spa of cancellation in writing, ~~by certified mail, return receipt~~  
22 ~~requested, or by personal delivery, to the address specified in the~~  
23 ~~contract~~ PURSUANT TO SUBSECTION I OF THIS SECTION. All monies paid  
24 pursuant to the ~~cancelled~~ CANCELED contract shall be fully refunded within  
25 thirty days ~~of~~ AFTER receipt of the notice of cancellation. If the  
26 customer has executed any credit or loan agreement through the health spa  
27 to pay for all or part of health spa services, any such negotiable  
28 instrument executed by the customer shall also be returned within thirty  
29 days. The contract shall contain a conspicuous notice printed in at least  
30 ten-point bold-faced type as follows:

31 <sup>u</sup>Notice to customer

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

34 You may cancel this contract at any time before midnight  
35 of the third operating day after receiving a copy of this  
36 contract. If you choose to cancel this contract, you must  
37 ~~either~~ DO ONE OF THE FOLLOWING:

38 1. Send a signed and dated written notice of  
39 cancellation by ~~certified mail, return receipt requested~~ TO  
40 THE ADDRESS LISTED BELOW, ~~or~~

41 2. Personally deliver a signed and dated written notice  
42 of cancellation to THE ADDRESS LISTED BELOW. ~~or~~

43 3. SEND A NOTICE OF CANCELLATION BY EMAIL TO THE EMAIL  
44 ADDRESS LISTED BELOW.

45 NOTICE OF CANCELLATION SHOULD BE SENT TO:

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(name of health spa)  
(address of health spa).

OR SENT TO:

(EMAIL 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 OR EMAILED 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 certified mail, return receipt requested, or personally delivered to the address of the health spa specified in the contract upon~~ PURSUANT TO SUBSECTION I OF THIS SECTION ON the customer's death or permanent disability.

F. A contract for health spa services shall provide that it is subject to cancellation by notice sent ~~by certified mail, return receipt requested, or personally delivered, to the address of the health spa specified in the contract upon~~ PURSUANT TO SUBSECTION I OF THIS SECTION ON 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~~ PURSUANT TO SUBSECTION I OF THIS SECTION 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

1 to cancellation two years after the date of suspension if the customer  
2 fails to reinstate the contract.

3 H. In a cancellation under subsection E, F or G OF THIS SECTION,  
4 the health spa may retain the portion of the total contract price  
5 representing the services used plus reimbursement for the expenses  
6 incurred in an amount not to exceed twenty-five ~~per cent~~ PERCENT of the  
7 total contract price.

8 I. A HEALTH SPA MUST NOTIFY A CUSTOMER OF THE METHODS TO CANCEL OR  
9 SUSPEND THE CUSTOMER'S CONTRACT THAT ARE DESCRIBED IN PARAGRAPHS 1, 2 AND  
10 3 OF THIS SUBSECTION. A CUSTOMER MAY CANCEL OR SUSPEND THE CUSTOMER'S  
11 CONTRACT BY NOTIFYING THE HEALTH SPA OF THE CANCELLATION OR SUSPENSION BY  
12 ANY OF THE FOLLOWING METHODS:

13 1. MAILING A NOTICE TO THE HEALTH SPA'S ADDRESS THAT IS SPECIFIED  
14 IN THE CONTRACT.

15 2. PERSONALLY DELIVERING A NOTICE TO THE HEALTH SPA'S ADDRESS THAT  
16 IS SPECIFIED IN THE CONTRACT.

17 3. EMAILING A NOTICE TO THE EMAIL ADDRESS THAT IS SPECIFIED IN THE  
18 CONTRACT, OR IF THERE IS NOT AN EMAIL ADDRESS SPECIFIED, TO ANY EMAIL  
19 ADDRESS THAT IS USED BY THE HEALTH SPA FOR CUSTOMER SERVICE.

20 4. USING A CANCELLATION OPTION PROVIDED BY THE HEALTH SPA'S  
21 WEBSITE.

22 5. USING ANY OTHER MANNER SPECIFIED BY THE CONTRACT.