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Billing Company Contract Templates

We have had an ongoing discussion with a number of gym owners about gym membership contracts or agreements. As many of you know, Georgia law mandates that a membership contract or agreement must be used to document the service being rendered to the member, cost of the service, the length or duration of the agreed service and cancellation provisions, to name a few. State law does not specify a minimum duration for membership contracts or agreements. What this means is that gyms are free to offer member contracts or agreements that range from month to month or 30 days, to 36 months. As gyms offer memberships to the public, **always remember that a 30 day membership agreement is still a contract and should never be offered as a "No Contract" membership.** Under Georgia law, there is no such thing as a "No Contract" membership. Members or prospective members may be told that a 30 day membership is not a long term membership and may be cancelled by submission of a written request accordingly.

Although State law is clear, we must explain that the purpose for the use of written contracts or agreements is for the protection of both the member and the gym owner. Your members should always be aware of what they are paying for and there must be documentation to specify what those services are. Members should also be given the opportunity to review the terms and conditions of each contract or agreement **before** they sign the document and are given copies for their files.

It has also been brought to our attention that there are billing companies which are making the assertion that the membership contract template which they provide to gyms is already compliant with Georgia law. Please be aware that billing companies are not the approving authority for gym membership contracts or agreements that are used in the state of Georgia. So, regardless of any assurances of compliance that are made by a billing company, gym owners **are required** to submit each contract or agreement to this office for final approval. In closing, please be reminded that the Governor's Office of Consumer Protection has sole and exclusive jurisdiction over all Georgia gym membership contracts. At no time should a Georgia gym membership contract indicate that another state has jurisdiction over any complaint or dispute that arises from a gym membership contract. If there are any questions on these or other matters, please feel free to contact us.

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