

1 AN ACT in relation to business transactions.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Physical Fitness Services Act is amended by
5 changing Section 8 as follows:

6 (815 ILCS 645/8) (from Ch. 29, par. 58)

7 Sec. 8. Prohibited contract provisions. (a) (Blank). ~~No~~
8 ~~contract for physical fitness services shall require payment of~~
9 ~~a total amount in excess of \$2500 per year, and every such~~
10 ~~contract must so provide in writing, except that this limit~~
11 ~~shall not apply to any contract for group membership, other~~
12 ~~than family membership, where the purchaser is a corporation or~~
13 ~~other business entity or any social, fraternal or charitable~~
14 ~~organization not created for the purpose of encouraging this~~
15 ~~contractual arrangement.~~

16 (b) No contract for physical fitness services shall require
17 payments or financing over a period in excess of 3 years from
18 the date the contract is entered into, nor shall the term of
19 any such contract be measured by the life of the customer. The
20 initial term of services to be rendered under the contract may
21 not extend over a period of more than 2 years from the date the
22 parties enter into the contract; provided that the customer may
23 be given an option to renew the contract for consecutive
24 periods of not more than one year each for a reasonable
25 consideration not less than 10% of the cash price of the
26 original membership.

27 (c) No contract for physical fitness services shall require
28 or entail the execution of any note by the customer which, when
29 separately negotiated, will cut off as to third parties any
30 right of action or defense which the customer may have against
31 the physical fitness center. No right of action or defense
32 arising out of a contract for physical fitness services which

1 the customer has against the center shall be cut off by
2 assignment of the contract whether or not the assignee acquires
3 the contract in good faith and for value. Such an assignee is
4 not a holder in due course.

5 (Source: P.A. 84-1463.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.