

AN ACT concerning business.

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

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

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

Sec. 8. Prohibited contract provisions.

(a) (Blank). ~~No contract for basic physical fitness services shall require payment of a total amount in excess of \$2500 per year, and every such contract must so provide in writing, except that this limit shall not apply to any contract for: (1) family or couple memberships, or (2) group memberships, where the purchaser is a corporation or other business entity or any social, fraternal or charitable organization not created for the purpose of encouraging this contractual arrangement.~~

(b) (Blank). ~~No contract for family or couple memberships for basic physical fitness services shall require payment in excess of \$2,500 per year per person covered under the membership.~~

(c) ~~No contract for physical fitness services shall require payments or financing over a period in excess of 3 years from the date the contract is entered into, nor shall the term of~~

~~any such contract be measured by the life of the customer.~~ The initial term of services to be rendered under the contract may not extend over a period of more than one year ~~2 years~~ from the date the parties enter into the contract; provided that the customer may be given an option to renew the contract for consecutive periods of not more than one year each for a reasonable consideration not less than 10% of the cash price of the original membership.

(d) No contract for physical fitness services shall require or entail the execution of any note by the customer which, when separately negotiated, will cut off as to third parties any right of action or defense which the customer may have against the physical fitness center. No right of action or defense arising out of a contract for physical fitness services which the customer has against the center shall be cut off by assignment of the contract whether or not the assignee acquires the contract in good faith and for value. Such an assignee is not a holder in due course.

(Source: P.A. 94-663, eff. 1-1-06; 94-687, eff. 11-3-05.)