

Amendment No. 1 to HB3407

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Signature of Sponsor

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AMEND Senate Bill No. 3420*

House Bill No. 3407

by deleting Section 1 in its entirety and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 47-18-301(5), is amended by designating the existing language as subdivision (A) and by adding the following as a new subdivision (B):

(B) "Health club agreement" does not include the following:

- (i) Any agreement for personal training services; or
- (ii) Any agreement for tangible products sold by the health club.

SECTION 2. Tennessee Code Annotated, Section 47-18-305(a)(4), is amended by inserting between the parenthetical "(EXCLUDING SATURDAYS, SUNDAYS AND LEGAL HOLIDAYS)" and the word "AFTER" the following language: "OR, IF THE AGREEMENT IS SUBJECT TO A FINANCE CHARGE, THE SEVENTH DAY"

SECTION 3. Tennessee Code Annotated, Section 47-18-306(b), is amended by designating the existing language as subdivision (1) and by adding the following language as a new subdivision (2):

(2) A buyer shall have until midnight of the seventh business day after the date on which the first service under the health club agreement is available to cancel if the health club agreement is subject to a finance charge. "Business day" for the purposes of this subdivision shall mean any day the health club is open unless the seventh day is a day the health club is not open for business to the buyer; provided, however, that if the health club is closed on the seventh day, the buyer shall have until midnight of the next day the health club is open to cancel the health club agreement. Cancellation is evidenced by the buyer giving written notice of cancellation to the health club at the address of any facility available for use by the buyer under the health club agreement.

The buyer shall deliver the notice by personal delivery or by certified mail delivery, return receipt requested. Personal delivery is effective when delivered to the health club or to the health club's address, whichever comes first. Notice of cancellation by certified mail delivery shall be effective upon the date of post marking. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the buyer not to be bound by the contract.

SECTION 4. This act shall take effect January 1, 2009, the public welfare requiring it.