



STATE OF GEORGIA  
GOVERNOR'S OFFICE OF CONSUMER PROTECTION

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ADMINISTRATOR

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### Facility Changes

We have observed that a number of gyms have made significant changes at their facilities and have not notified this office. Please be aware that the Governor's Office of Consumer Protection administers laws with respect to health spas. These laws govern the accountability, regulatory and oversight requirements of all gyms in the state of Georgia. For instance, if a gym owner makes changes to a membership contract, a copy of that contract must be submitted to this office for review and approval. The health spa statute states the following:

*(o) No health spa contract shall be valid or enforceable unless the health spa operator has on file a statement signed by the administrator or his designee certifying that a copy of the contract is on file with the administrator and is in compliance with this part.*

This means that contracts that are being utilized at a gym that have not been approved by this office are unenforceable and are not valid under Georgia law. Consumers cannot be compelled to make payments under gym contracts that were not approved by this office. In addition, payment on those contracts cannot be enforced, put in collections or reported to a Credit Reporting Agency.

If at any time a gym's method of operation changes, owners are required to notify this office and to submit documents that reflect these changes. This requirement includes changes in ownership, even if there is a change among existing business partners or a gym is purchased by a new owner. When there is a change in ownership at a gym, that facility's new owner is required to submit to this office, a signed and notarized change-of-ownership form and copy of the latest membership agreement. Upon receipt and review of those documents, the Administrator or his designee, will submit a statement to the gym owner that a copy of the contract is on file with this office and is in compliance. Although a new gym owner may choose to use a membership contract which had been utilized by the former owner of a gym, a copy of the current contract must still be submitted to this office with the notarized Change of Ownership forms.

Throughout the course of business, a gym may undergo other types of changes. Changes such as a gym's name and address are significant enough to affect the nature of the services that are offered at a facility. For example, a change in a gym's name may mean that the facility no longer offers co-ed memberships. In another instance, a change in a gym's name may indicate that there has been a change in the brand, franchise and amenities that are offered to members.

A change in a gym's address may result in an increase in or reduction of the size of that facility. With a change in size, a health spa may no longer offer a substantial service which was offered at the time of the initiation of the member's contract. When, such changes occur, owners are required to notify this office and to submit documents that reflect those changes.

## **In Summary**

- When there are changes in a gym's contract, ownership, name and address, health spas are required to submit documents to this office that reflects those changes. There are no exceptions to this requirement.
- If there are any questions regarding this material or past podcasts, please do not hesitate to contact this office.

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