

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4048

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 19, 2026

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 4048.

As amended, this bill modifies current law on health club services contracts by requiring the health club facility to notify, by mail or electronically and at least 60 days in advance, the buyer of a contract if a change in ownership of the health club facility is to occur. Notice is to also include the date of the transfer of ownership and the business name under new ownership. If membership rates and service offerings of the facility are to stay the same upon transfer of facility ownership, this is to be included in the notice as is the stipulation that the contract of a buyer will not be assigned to the new owner if the buyer denies, through written or electronic communication, assignment of the contract. If the buyer of the contract allows the contract to be assigned to the new owners, the buyer has up to 26 days after the transfer of facility ownership to nullify the contract. Any charges made against the account of the buyer during the 26-day period, including after a buyer requested nullification of a contract, are to be refunded by the health club facility within 10 days of the nullification.

If membership rates are to change or there is a decrease in service offerings upon the transfer of ownership of a health club facility, the facility is to notify, by mail or electronically and at least 60 days in advance, the buyer of a health club services contract: of the ownership change; the new membership rates; the change in service offerings; the date of the transfer of ownership; the business name of the facility under new ownership; and that the contract will be assigned to the new owner if the buyer of the contract consents to the transfer through written or electronic communication to the health club facility within 30 days of the date of the transfer, which is to be promptly processed by the facility. The buyer of the contract has up to 26 days after the transfer of facility ownership to nullify the contract. If the consent is not received by the health club facility within 30 days before the transfer of ownership, the contract will be deemed cancelled. Any charges made against the account of the buyer during the 26-day period, including after a buyer requested cancellation of a contract, are

to be refunded by the health club facility within 10 days if the contract is cancelled.

As amended, the bill requires that if a health club facility is to change ownership, the owner of the health club facility is require to post a notice, at least 15 days in advance of the transfer in ownership and for 26 days after the transfer in ownership, in a prominent location in the facility the business name of the facility under the new owner; the date of the change of ownership; and that the buyer of the contract may, for up 26 days after the transfer, elect to decline to have their contract assigned to the new owner.

As amended and reported by the committee, Assembly Bill No. 4048 is identical to Senate Bill No. 3306, which was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) require notification of a change in health club facility ownership be sent at least 60 days in advance to a buyer of a health club services contract;

(2) include in the notice to buyers the business name of the facility under new ownership; if membership rates or service offerings are changing, with the new membership rates and service offerings included, or if rates and services are to stay the same;

(3) qualify that if membership rates stay the same, a buyer can deny the transfer of their contract to the new owners within 26 days after the transfer of facility ownership to nullify the contract;

(4) qualify that if membership rates are changing, a buyer has up to 30 days to consent to the assignment of the contract within 30 days before the transfer of ownership, and then still has 26 days after the transfer of facility ownership to nullify the contract;

(5) stipulate that for any buyer, a refund is to be issued within 10 business days if a contract is nullified or cancelled in the 26-day period and the buyer is charged during that time, including after a buyer requested cancellation; and

(6) require that if a health club facility is to change ownership, the owner of the health club facility is require to post a notice, at least 15 days in advance of the transfer in ownership and for 26 days after the transfer in ownership, in a prominent location in the facility: the business name of the facility under the new owner; the date of the change of ownership; and that the buyer of the contract may, for up 26 days after the transfer, elect to decline to have their contract assigned to the new owner.