

ASSEMBLY THIRD READING  
AB 2402 (Boerner)  
As Amended April 9, 2026  
Majority vote

## SUMMARY

Exempts a "multiservice health club studio," as defined, from the \$4,400 limit on contracts for health studio services.

### Major Provisions

- 1) Exempts a contract for health studio services with a multiservice health club studio from the \$4,400 payment limit.
- 2) Defines "multiservice health club studio" as a studio that offers three or more of the following amenities:
  - a) Digital platform services, such as on-demand classes.
  - b) Individualized training programming.
  - c) Fitness instructor training or certification.
  - d) Recurring group fitness classes.
  - e) Coworking space.
  - f) Childcare.
  - g) Swimming pool or pools.
  - h) Steam room.
  - i) Laundry services.
  - j) Onsite food and beverage.
  - k) Spa treatments.
  - l) Adult or youth sports programming.
  - m) Locker rooms.

## COMMENTS

*Background.* California contract law provides protections for consumers of services provided by gyms, studios, and other fitness settings. Specifically, the purpose of the protections as they relate to health studio and gyms "is to safeguard the public against fraud, deceit, and financial hardship, and to foster and encourage fair dealing, and prosperity in the field of health studio services by prohibiting or restricting false or misleading advertising, onerous contract terms, harmful financial practices, and other unfair, dishonest, deceptive, destructive, unscrupulous,

fraudulent, and discriminatory practices by which the public has been injured in connection with contracts for health studio services" (Civil Code section 1812.80).

Specific protections include limiting the maximum amount that can be charged under any given health studio contract to \$4,400, limiting the length of health studio contracts to three years, and limiting a health studio's ability to force buyers to sign waivers and indemnity clauses. It also provides buyers with three times the amount of actual damages (treble damages) and reasonable attorney fees when health studios violate the contract requirements.

This bill would exempt multi-service health studios, as defined, from the \$4,400 contract limit. The sponsor's goal is to allow high value, boutique, or luxury gyms who offer services or combinations of services that are not offered by their standard counter parts to charge more under their contracts.

*Other States.* While other states maintain similar consumer contract protections in varying degrees and combinations, such as the three-year contract term limits, initiation fee caps, and cooling off periods, New York is the only other state that still maintains an overall contract maximum (New York General Business Law, Section 623 (2025)). This bill is substantially similar to two New York bills, Senate Bill S8015 (amended as S8015A) and New York Assembly Bill A8638. Those bills are in committee for their 2025-2026 session.

*Implementation Question.* The latest author amendments, which are modeled after a pair of bills pending in the New York Legislature, clarified the types of services that count for an exemption under this bill. However, there may still be combinations of three or more of the listed amenities that could apply to regular clubs and gyms. For example, the combination of a swimming pool, locker room, and sports programming (swim team), is very common. The author and sponsor may wish to continue to refine the services to capture the high value or luxury segment that is intended to be exempted.

### **According to the Author**

Asm. Boerner is pleased to author [this bill], a bill that will provide consumers more wellness options. This bill will establish a definition for a "multiservice health club studio", updating a law on fees that has not been updated since 2005. The fitness and wellness industry has evolved significantly since that time. [This bill] would remove the current cap on annual fees for health studios that go above and beyond with their services. This would allow California consumers to engage world-class facilities with prices set by natural market competition, while remaining protected under previously established consumer protection laws and standard oversight for traditional gyms.

### **Arguments in Support**

*Equinox* (sponsor) writes in support:

- 1) [This bill] appropriately recognizes that today's health club market serves a wide range of customers, and that an outdated statutory cap that was designed for a very different era should not apply to modern, multi-service, luxury health clubs. This bill is about respecting consumer choice and allowing the market to meet those diversified needs. In this context, rigid "one-size fits all" fee caps are no longer necessary to protect consumers.
- 2) Moreover, the original consumer protection intent of the law is currently reinforced by modern safeguards. California maintains some of the strongest auto-renewal and consumer

transparency laws in the nation, and today's consumers are more empowered than ever to manage subscriptions and make informed purchasing decisions. Nothing about [this bill] changes this.

The *Health & Fitness Association* writes in support, "Without a targeted exemption for multiservice facilities, the outdated cap forces high-value health clubs into a legal grey area, discourages capital investment in premium fitness infrastructure, and ultimately limits consumer access to the kind of comprehensive, medically adjacent wellness services that California communities deserve. [This bill] addresses this problem directly by carving out a carefully defined category of facility — one that offers three or more distinct amenities — and exempting those facilities from a price cap that was never designed with them in mind."

### **Arguments in Opposition**

There is no opposition on file.

### **FISCAL COMMENTS**

Unknown. This bill is keyed nonfiscal by the Legislative Counsel.

### **VOTES**

#### **ASM BUSINESS AND PROFESSIONS: 19-0-0**

**YES:** Berman, Johnson, Addis, Ahrens, Alanis, Bains, Bauer-Kahan, Caloza, Chen, Elhawary, Hadwick, Haney, Hart, Irwin, Jackson, Lowenthal, Macedo, Nguyen, Pellerin

### **UPDATED**

VERSION: April 9, 2026

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