

SENATE BILL NO. 151
INTRODUCED BY D. MAHLUM
BY REQUEST OF THE BUSINESS AND LABOR INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING UNIVERSITY FITNESS CENTERS ~~AND COMMUNITY FITNESS CENTERS~~ FROM SELLING SERVICES TO THE GENERAL PUBLIC WHEN THERE IS A FOR-PROFIT FITNESS CENTER OPERATING IN THE COMMUNITY; PROVIDING AN EXCEPTION FOR UNIVERSITIES THAT SELL MEMBERSHIPS TO STUDENTS, EMPLOYEES, AND THEIR IMMEDIATE FAMILIES; ALLOWING THE SALE OF MEMBERSHIPS TO A LIMITED NUMBER OF ALUMNI UNDER CERTAIN CIRCUMSTANCES; ALLOWING THE SALE OF DAY PASSES TO RELATIVES OF STUDENTS AND EMPLOYEES; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Definitions.** As used in [section 2], the following definitions apply:

(1) "Community" means:

- ~~— (a) in an incorporated city or town, the area within the incorporated city or town boundaries; and~~
- ~~— (b) in an unincorporated city or area, the area identified by the federal bureau of the census as a community for census purposes.~~

(2)(1) "For-profit fitness center" means a private sector facility that offers instruction, training, consultation, equipment, or space to the public for a fee to maintain, encourage, or develop physical fitness, conditioning, or well-being.

(3)(2) (A) "University fitness center" means a facility at a university unit, as provided in 20-25-201, that offers instruction, training, consultation, equipment, or space to maintain, encourage, or develop physical fitness, conditioning, or well-being.

(B) THE TERM DOES NOT INCLUDE A UNIVERSITY'S SWIMMING POOL FACILITIES, GOLF COURSE FACILITIES, OR YOUTH CAMPS.

NEW SECTION. **Section 2. Competition between for-profit fitness centers and university fitness centers prohibited -- exception.** (1) Except as provided in subsection (2), a university fitness center may not sell a contract or charge a monthly fee to the general public for the use of fitness center facilities if a for-profit

fitness center offering similar services operates in the community where the university fitness center operates.

(2) The provisions of subsection (1) do not apply to:

(A) contracts or monthly fees that may be charged to students, employees, or the immediate family members of a student or an employee of a university;

(B) CONTRACTS OR MONTHLY FEES THAT MAY BE CHARGED TO ALUMNI OF THE UNIVERSITY AS LONG AS THE NUMBER OF ALUMNI MEMBERSHIPS DOES NOT EXCEED 10% OF THE TOTAL NUMBER OF ALUMNI WHO ARE DUES-PAYING MEMBERS OF THE UNIVERSITY'S ALUMNI ASSOCIATION AND WHO RESIDE IN THE MUNICIPALITY WHERE THE UNIVERSITY IS LOCATED AND AS LONG AS THE COST OF THE ALUMNI MEMBERSHIP IS AT LEAST AS MUCH AS THE AVERAGE COST OF MEMBERSHIP IN FOR-PROFIT FITNESS CENTERS IN THE MUNICIPALITY; AND

(C) DAILY PASSES SOLD TO RELATIVES OF UNIVERSITY STUDENTS OR EMPLOYEES.

~~NEW SECTION. Section 3. Community fitness center membership contracts or monthly fees prohibited -- definitions -- exception. (1) For the purposes of this section, the following definitions apply:~~

~~(a) "Community fitness center" means a fitness center operated by a political subdivision of this state.~~

~~(b) "Fitness center" means a facility that offers instruction, training, consultation, equipment, or space to the public for a fee to maintain, encourage, or develop physical fitness, conditioning, or well-being.~~

~~(c) "For-profit fitness center" has the same meaning as provided in [section 1].~~

~~(2) A community fitness center may not sell a contract or charge a monthly fee to the general public for the use of fitness center facilities if a for-profit fitness center offering similar services operates in the same community. For the purposes of this subsection, a for-profit fitness center must receive at least 50% of its gross annual revenue from contracts, fees, or charges for the use of the fitness center.~~

NEW SECTION. Section 3. Codification instruction. (1) [Sections 1 and 2] are intended to be codified as an integral part of Title 20, chapter 25, part 3, and the provisions of Title 20, chapter 25, part 3, apply to [sections 1 and 2].

~~(2) [Section 3] is intended to be codified as an integral part of Title 7, and the provisions of Title 7 apply to [section 3].~~

NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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