

2024 State Advocacy Report

*Empowering the Industry
Through Strategic Engagement*

HEALTH & FITNESS
ASSOCIATION



Welcome From HFA

The advocacy work we've undertaken this year is more than just a return on investment—it's an insurance policy for every fitness business, big or small. By blocking costly and restrictive legislation, we are safeguarding the bottom line of gyms, fitness centers, and health clubs across the country, from boutique studios to national chains. This protection ensures that our industry can continue to thrive, free from unnecessary burdens.

As the 2024 state legislative sessions come to a close, I am pleased to present this year's State Advocacy Report. Behind the scenes, we've been tirelessly defending the fitness industry from harmful regulations, advocating for fair policies, and amplifying your voice in state capitals nationwide. This year has been especially critical as lawmakers placed greater scrutiny on auto-renewal contract policies and membership cancellation practices in our industry. Thanks to your support, we successfully delivered our message to legislators on both sides of the aisle.

Through countless meetings, grassroots actions, and direct engagement on key bills, we've worked hard to educate policymakers on the real-world impact of their decisions on fitness businesses. We've stood firm against proposals that would have increased costs and compliance burdens for our members, all while pushing for policies that promote growth and sustainability.

This year, we also introduced a more streamlined approach to tracking and engaging with legislation. By optimizing our use of on-the-ground lobbyists and proactive monitoring, we've stayed ahead of emerging threats while carefully managing your membership dues.

Thank you for your continued participation and support. Together, we've made 2024 a success, and we look forward to achieving even greater things in 2025.

Sincerely,

Mike Goscinski
Vice President of Government Affairs
Health & Fitness Association
mgoscinski@healthandfitness.org



Our State Policy Engagement Process

HFA reviews all legislation and regulations to determine potential impacts—both positive and negative—on the health and fitness industry.



Grassroots Mobilization

We mobilize our grassroots army of fitness industry professionals to communicate with state lawmakers and “put a face to the name” about who they are impacting in their communities.



HFA State Advocacy is Insurance—A policy to protect your business against harmful laws and regulations.



Direct Lawmaker Engagement

We directly engage with lawmakers to educate them about the potential harms or benefits of legislation that would impact fitness facility operators, thus connecting the dots to help them better understand the impact of their votes.



Additional Advocacy Support

Where necessary, we hire lobbyists in state capitals with proven relationships and successful track records on our issues.

State Advocacy at a Glance

Bills Tracked:

1,000+

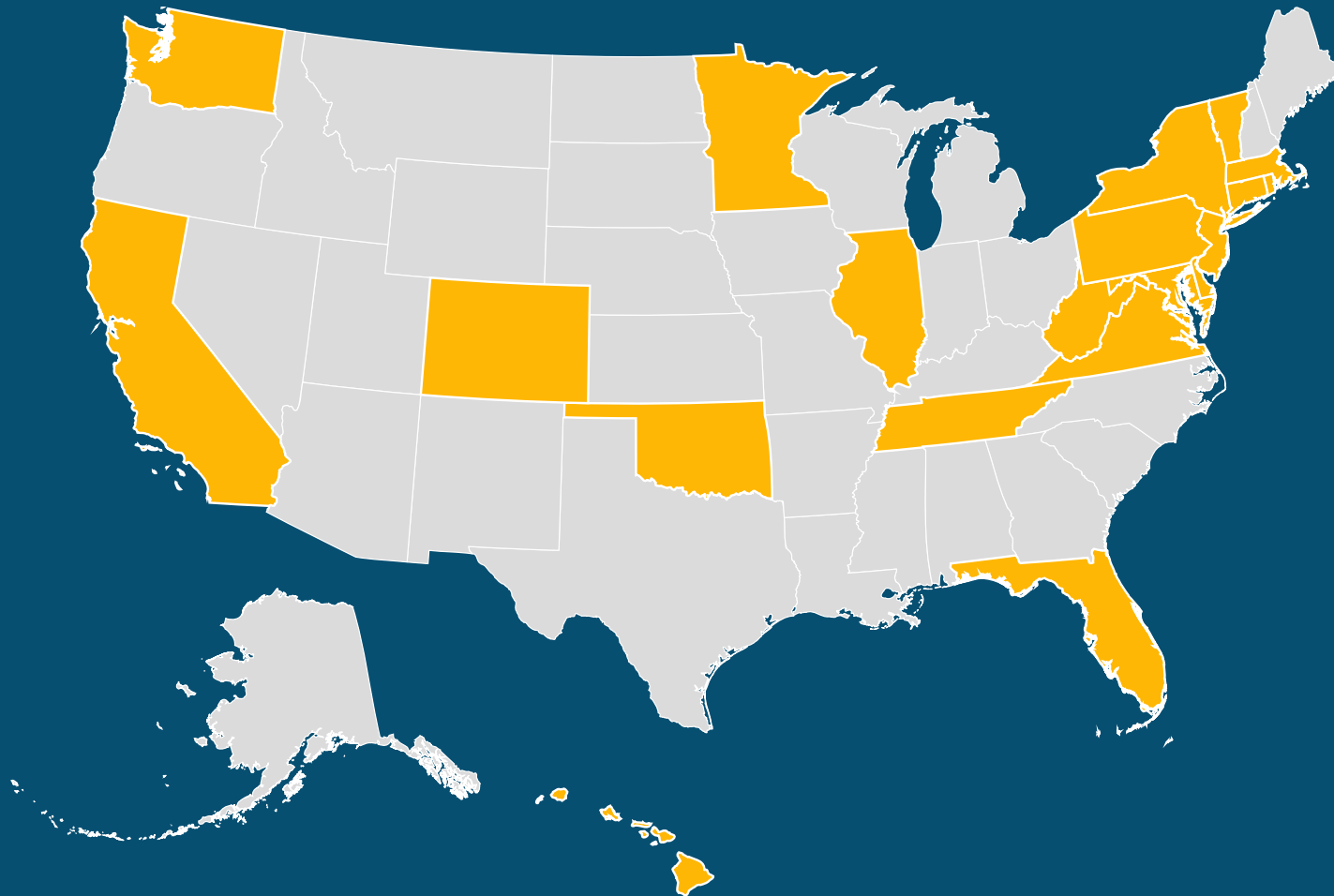
States Engaged:

20

**Meetings with State
Lawmakers:**

100+

48 Wins /
1 Loss



Top Issues:

Auto-renew

Click-to-Cancel

Price Transparency

Retail Cash

Sales Tax

Liability Waivers

AED Bills

“We rely on HFA’s advocacy to navigate ever-changing state regulations. Without their work, we’d be dealing with more compliance headaches and unexpected costs. The HFA team is proactive, smart and on top of the fluid landscape of governmental activities.”

– Linda Mitchell, Director of Public and Government Relations at Newtown Athletic Club

Successful Advocacy Across Diverse Issues

Click-to-Cancel & Auto-Renewal Regulations

These bills would require fitness facilities to offer more cancellation options, which can increase expenses and operational complexity.

For example, a new "click to cancel" bill may require an **additional \$384 per day for staffing** or significant investments in tech infrastructure.

Enhanced cancellation options could lead to increased operational costs and potential legal risks for your facility.

Number of Bills Stopped or Amended:

31 (Across multiple states including NY, CA, MA)

Did You Know?

South Carolina's strict auto-renewal law causes facilities **to lose up to 20%** of membership renewals annually due to required in-person signatures.

Without HFA engagement in California, operators would have faced nearly \$70,000 annually in additional staffing costs due to new phone staffing requirements.

Cancel Membership?

YES

NO

Liability Waiver Protections

Prohibiting liability waivers increases insurance costs and litigation risks. HFA successfully advocated to maintain waiver enforceability to keep your facility protected.

After a two-year battle, HFA had a major victory in Maryland-making health and fitness the only industry exempted from the final law restricting use of waivers in the state.

Number of Bills Engaged:

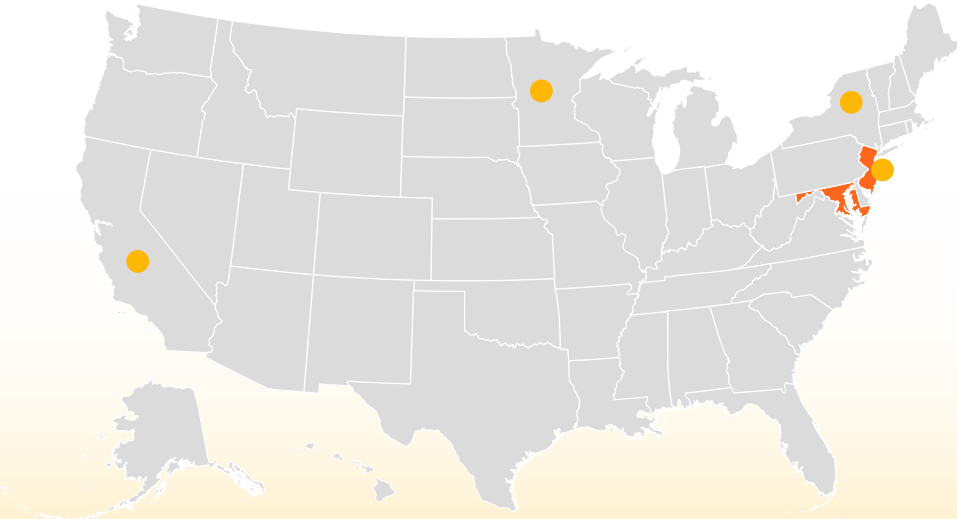
3 (MD, NJ)

Bills Stopped or Amended:

3

2025 Forecast:

Expect these bills in states like New Jersey, New York, California, and Minnesota.



In addition to rising premiums or limited coverage options, invalidating liability waivers would dramatically increase legal exposure and costs.



Total Price Disclosure Requirements

Legislation requiring “total price” advertising—which mandates businesses to disclose the full cost of membership, including all fees and services—conflicts with the diverse nature of the fitness industry. This would result in vague pricing, reduced consumer clarity, and potential fines or lawsuits. **HFA successfully pushed back on bills in five states in 2024.**

Number of Bills Engaged:

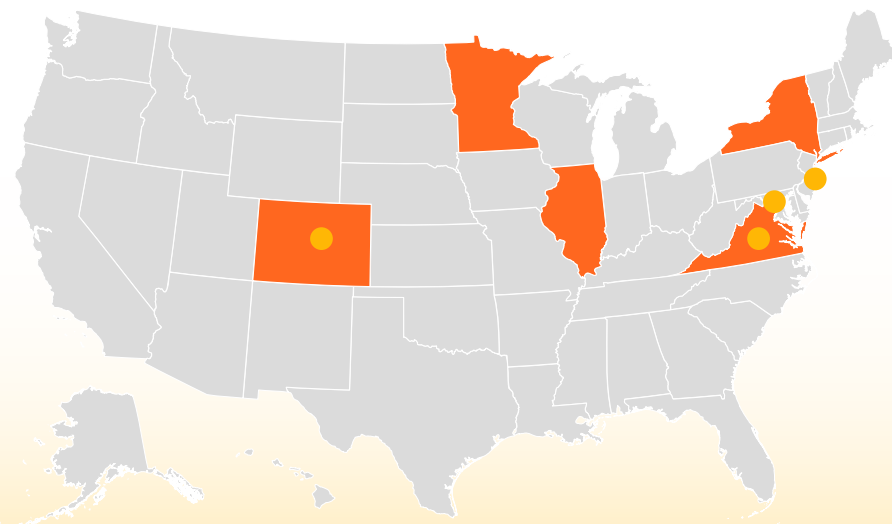
8 (MN, VA, CO, IL, NY)

Bills Stopped or Amended:

8

● 2025 Forecast:

Expect these bills in states like Virginia, Colorado, New Jersey, and Maryland.



Calculating a ‘total price’ to advertise business differs per customer and is nearly impossible.



“HFA’s state advocacy efforts have been terrific, and we rely on them heavily to navigate the ever-changing state regulations. Their ability to identify and effectively deal with harmful legislation is a huge benefit to the industry.”

– Scott McLester, Chief Legal Officer at SE Brands

Sales Tax on Fitness Memberships

HFA engages on sales tax bills to protect a fitness facility's bottom line. New or increasing taxes levied on physical activity hamstringing an operator's ability to grow and restrict access for Americans trying to stay healthy.

Number of Bills Engaged:

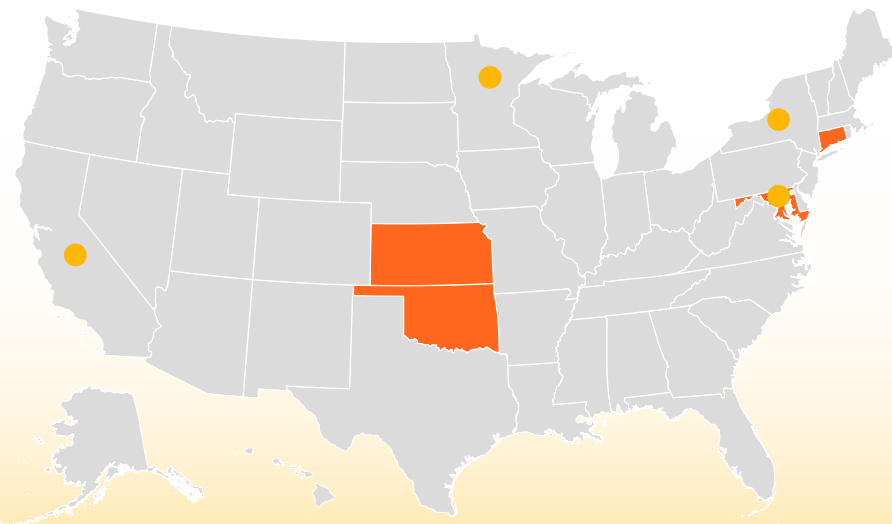
5 (MD, CT, OK, KS)

Bills Stopped or Amended:

1 (MD)

● 2025 Forecast:

Expect these bills in states like Maryland, New York, California, and Minnesota; opportunities to reduce/eliminate tax in multiple states.



In contrast, HFA saw four bills introduced this year that would remove or reduce sales tax on fitness and is working to push them over the finish line in 2025.

Bills to Reduce/Eliminate Sales Tax:

4

Once sales taxes are enacted, they remain permanent and often increase over time.



Data Privacy Protections

Biometric data laws force new and confusing data retention compliance requirements. New laws increase compliance costs, liability risks, and member reluctance for fitness facilities using check-in systems, health apps, and other technology.

Inconsistent treatment disrupts operations, require costly security measures, and complicate data management, making it harder for your business to offer efficient, tech-driven services while maintaining member privacy.

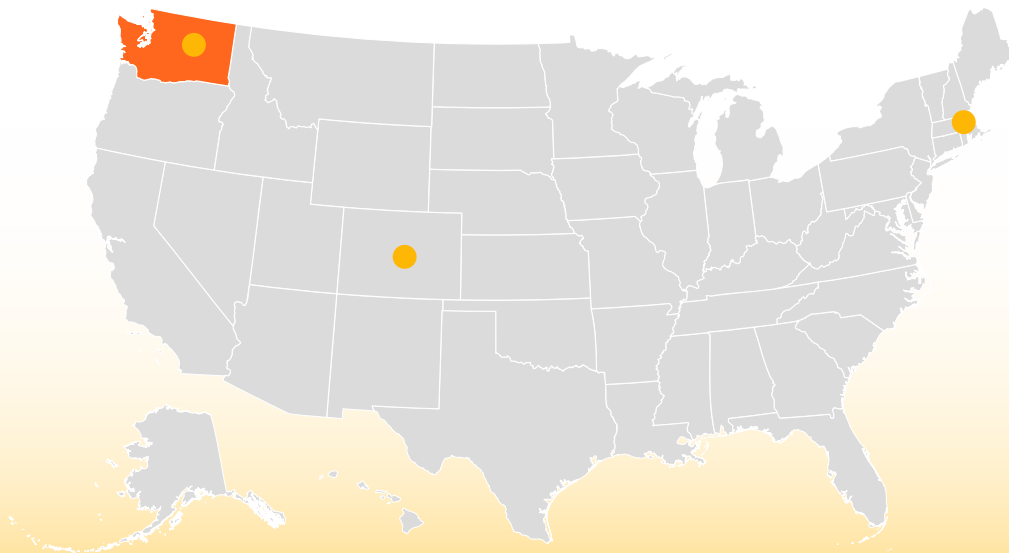
Number of Bills Engaged:

1 (WA)



2025 Forecast:

Monitoring in states like Colorado, Washington, and Massachusetts.



Data privacy laws could lead to costly tech upgrades and staffing.



Cashless Retail Bans

Requiring cash payments would add significant costs, including purchasing cash registers, hiring armed transport, and increasing theft risks. HFA had major victories in Florida and Vermont this year—making the case that memberships should never be included in cash acceptance requirements.

Number of Bills Engaged:

2 (FL, VT)

Bills Stopped or Amended:

2

● 2025 Forecast:

Expect similar bills in Florida, Vermont, and Wisconsin.



*Mandatory cash payments
could add \$5,000 to \$10,000 a
month in costs for your facility.*



Minimum Wage Increases

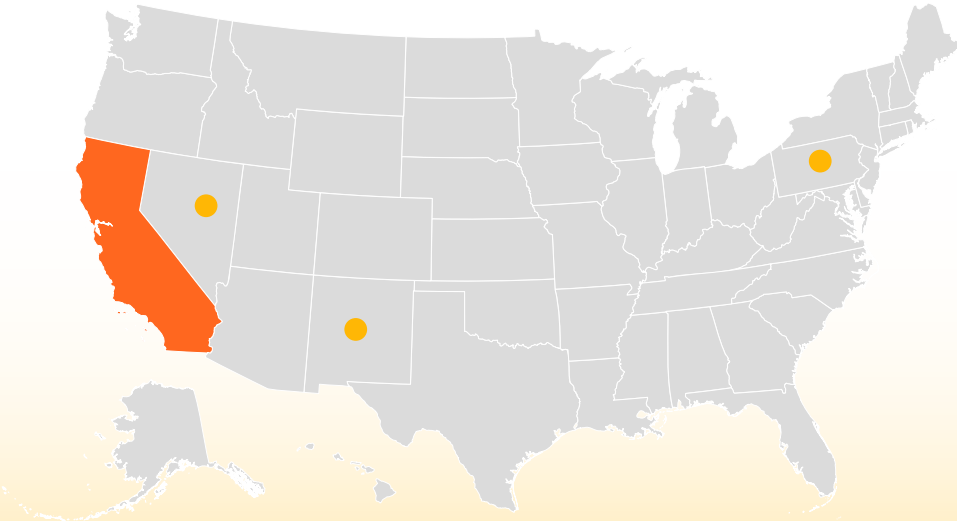
Increasing the minimum wage for fitness facility employees will drastically increase payroll expenses and affect overall profitability. In California, HFA secured clarification from the legislature that the new minimum wage on food workers in the state **DOES NOT** apply to facilities with food and beverage services.

Number of Bills Engaged:

1 (California)

● **2025 Forecast:**

Expect bills in Nevada, New Mexico, and Pennsylvania.



States like California are pushing to increase minimum wage to upwards of \$20 an hour—significantly increasing potential payroll expenses.



Promoting Policy to Increase Safety, Service, and Access

Fitness Facility & Access Subsidy Programs

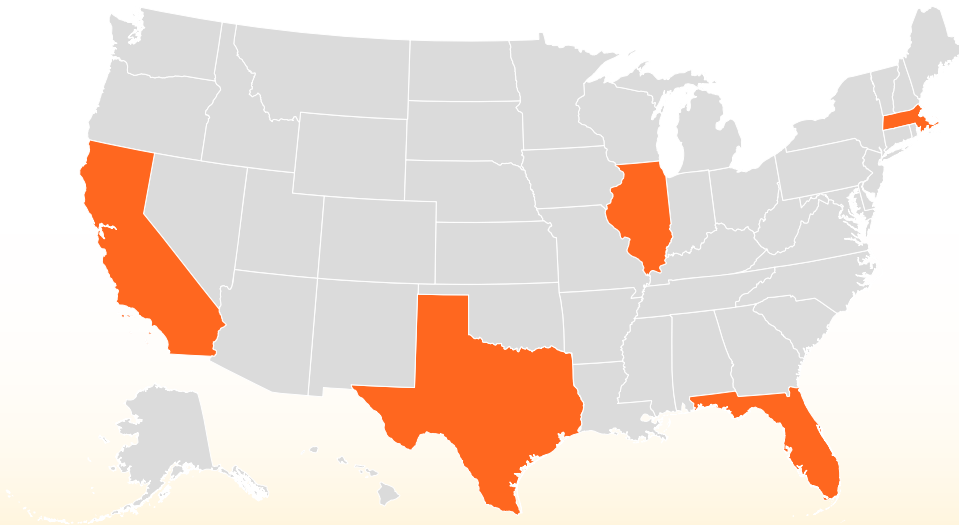
Subsidies and incentives will increase access for millions of Americans and drive new members to your facility. In 2024, several states introduced bills to increase access and incentivize getting active.

Fitness Facility Subsidy Programs:

MA, opportunity to expand to TX, FL, and CA.

Expanded Insurance Coverage for Fitness:

IL, opportunity to expand to MA, CA, and TX.



Over 75% of Americans favor lawmakers passing laws to promote physical activity!



“HFA’s grassroots mobilization is exceptional. They provide us with the tools to engage lawmakers and demonstrate how proposed legislation impacts our members and community.”

– Jim Ulrich, Managing Partner of Fitness Factory

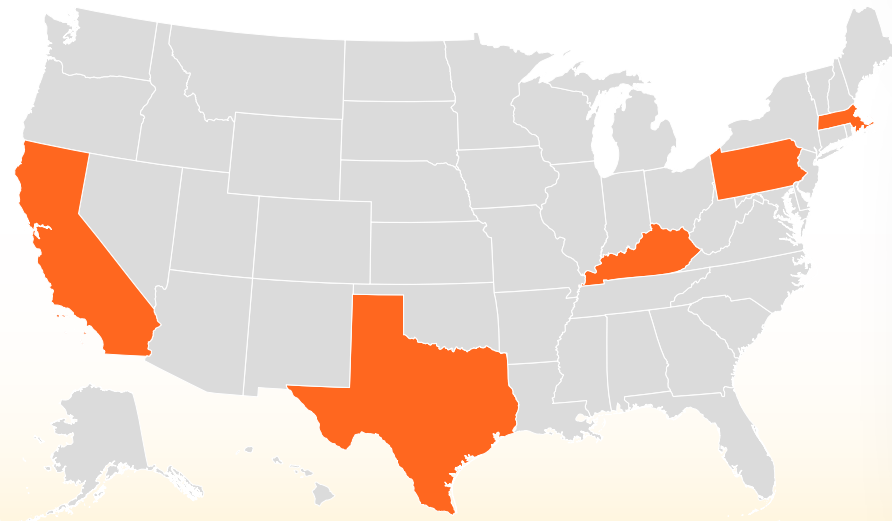
AED Liability Protections

HFA supports bills that promote adoption of lifesaving equipment, provide liability protections for the facilities and staff, and provide financial support for training, purchasing, and maintenance.

AED Liability Protections:

- Active in KY, MA, and PA;
- Exploring further opportunities in CA and TX.

AED liability protections increase the likelihood of lifesaving device usage.



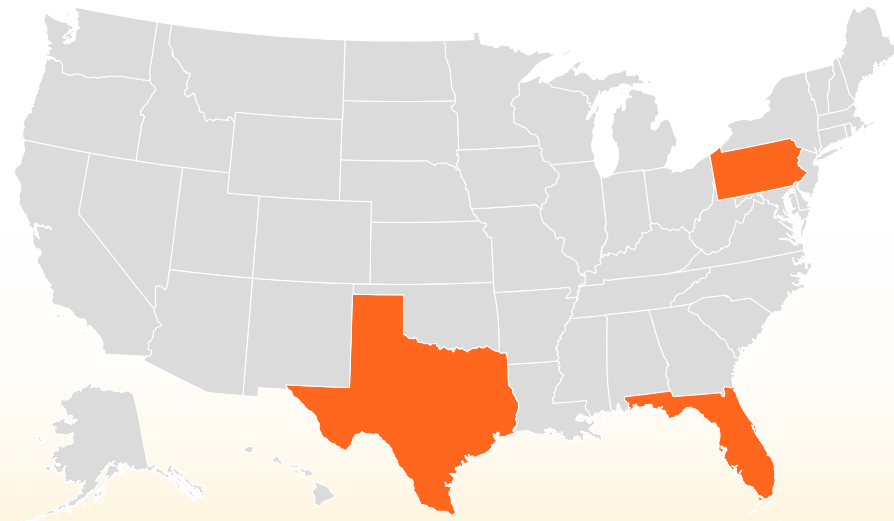
Tax Credits to Help our Military Members

HFA promotes legislation to provide funding and tax credits for active and inactive military members and their families to get and stay physically fit.

A big win this session was passage of a \$600 credit for National Guardsmen, reservists, and active duty military personnel in PA to use at the facility of their choice.

Military Tax Credits:

Current efforts in PA, with plans for FL and TX.



Did You Know?

Over 60% of active duty service members qualify as obese.



A Look Ahead: Anticipating Challenges and Opportunities

As we look to the next legislative session, HFA is prepared to address potential risks that could impact the health and fitness industry across the country.

Potential Risks for 2025:

Expansion of Consumer Protection Laws

What it Means: States are expected to continue pushing for stricter regulations around cancellations, auto-renewals, and member privacy. These types of consumer laws are extremely popular among constituents, and gym memberships are routinely cited as the reason for why these types of laws are necessary.

Our Plan: HFA will advocate to ensure that consumer protection bills reflect the realities of fitness facility operations, allow for seamless compliance, and boost consumer confidence in our industry.

Increased Sales Tax on Services

What it Means: A push to expand sales taxes on memberships and services in states looking for new revenue streams

Our Plan: HFA will actively oppose such measures to protect members' profitability.

Now more than ever, your investment in the Health & Fitness Association is necessary to secure your bottom line and protect your business.

ADVOCACY = INSURANCE

Minimum Wage Increases

What it Means: States may revisit wage laws, which could significantly impact operating costs for fitness facilities dependent on part-time workers.

Our Plan: HFA will advocate for balanced approaches that consider small businesses' ability to absorb these costs.

Shifting State Legislatures

The outcomes of the 2024 election will likely bring changes to state legislatures. A shift in party control in key states could mean more aggressive regulation or, conversely, opportunities for pro-business reforms. No matter the outcome, HFA is prepared to represent and protect your business.

Thank You to the NHFA for Their Support

Adam Zeitsiff (Chair),
Dominique Dawes Gymnastics & Ninja Academy

Eric Schreimann (Vice-Chair), Club Fitness

Allison Holcombe, The Bay Club

Gale Landers, Fitness Formula Clubs

Erik Lindseth, Life Time, Inc.

Blaire Luciano, Planet Fitness

Kevin McHugh, The Atlantic Clubs

Scott McLester, Orangetheory Fitness

Linda Mitchell, Newtown Athletic Club

Tom Richards, Health & Fitness Association

Massi Sardi, GymPass

Susan Sheely, Self Esteem Brands

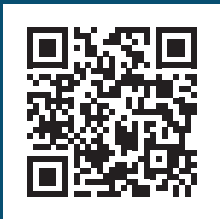
Rodney Steven II, Genesis Health Clubs

Debra Strougo, Row House/Fitizens Holdings

Jim Worthington, Newtown Athletic Club

WE'VE GOT YOUR BACK

- Advocacy to protect your business
- Research to strengthen the industry
- Education to create a better future



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