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## Consumer Protection; membership clubs

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unused rent and value of the unused LPG.<sup>2</sup> Chapter 768 also requires the Board to arbitrate complaints between customers and dealers of LPG.<sup>3</sup>

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2. *Id.* secs. 3, at 1834 (enacting NEV. REV. STAT. § 704.\_\_\_\_); 8, at 1837 (enacting NEV. REV. STAT. § 590.\_\_\_\_).

3. *Id.* sec. 13, at 1839 (amending NEV. REV. STAT. § 590.515). Chapter 768 allows the Board to impose fines or take any other actions deemed appropriate when there is a violation of: (1) a regulation adopted by the Board; (2) a health or safety law; or (3) any other act which the Board deems to be against the best interest of the public. 1989 Nev. Stat. ch. 768, sec. 15, at 1840 (amending NEV. REV. STAT. § 590.605).

## Consumer Protection; membership clubs

NEV. REV. STAT. § 598.\_\_\_\_ (new); § 598.805 (amended).  
SB 341 (Townsend); 1989 STAT. Ch. 848

Chapter 848 requires the owner of a membership club<sup>1</sup> to register with the Consumer Affairs Division of the Department of Commerce<sup>2</sup> and to either deposit a bond,<sup>3</sup> a letter of credit,<sup>4</sup> or a certificate of deposit<sup>5</sup> against which any aggrieved buyer<sup>6</sup> may bring an action.<sup>7</sup> In addition, Chapter 848 provides that a membership contract must have specific terms, and must contain a cancellation clause.<sup>8</sup> Any

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1. *See* 1989 Nev. Stat. ch. 848, sec. 2, at 2037 (enacting NEV. REV. STAT. § 598.\_\_\_\_) (definition of membership club). Chapter 848 establishes trade practices for any membership club which requires membership payment or dues in return for usage or services. *Id.*

2. *See id.* sec. 2 at 2037 (definition of division). *See* NEV. REV. STAT. §§ 232.220-280 (definition of consumer affairs division as a branch of the Department of Commerce, and powers and duties thereof).

3. *See id.* sec. 5 at 2038 (the bond must be approved by a licensed surety).

4. *See id.* (must be issued by a bank whose assets are federally insured).

5. *See id.* (must be in a federally insured financial institution).

6. *See id.* sec. 2 at 2037 (definition of buyer).

7. *Id.* sec. 5 at 2038 (buyer damaged by breach of contract or bankruptcy may bring an action). The requirement for deposit of a bond, letter of credit, or certificate of deposit does not apply where a membership club has been in business for at least four years with the same ownership, or in the case of a corporation, where not more than 25 percent of its shares have been transferred. *Id.* If the requirement for posting security is not complied with, the club must post notice of non-compliance and get written acknowledgment from each member. *Id.* The amount of the bond, letter of credit or certificate of deposit must be between \$10,000 and \$50,000, depending on the size of membership. *Id.* If a club sells memberships prior to completion of its facilities, the amount of the bond must be \$100,000. *Id.*

8. *Id.* sec. 6 at 2039 (the contract must be in writing, use the same language as the sales presentation, contain information regarding security, and not include an automatic renewal

membership contract signed pursuant to a false or misleading representation is unenforceable.<sup>9</sup> Further, a buyer may cancel the membership contract or obtain another remedy<sup>10</sup> if the buyer becomes disabled,<sup>11</sup> the membership club closes,<sup>12</sup> or the club changes its location or service.<sup>13</sup>

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clause). A buyer may cancel the membership contract by written notification within three business days of its receipt. *Id.* sec. 7 at 2040. All money paid must be returned to the buyer within 15 days. *Id.*

9. *Id.* sec. 8 at 2040. See NEV. REV. STAT. § 119B.420 (1987) (unlawful to use false or misleading information to advertise the sale of membership contracts in campgrounds); § 119B.430 (1987) (unlawful to use deceptive or unfair methods in the sale of a membership in a campground). See NEV. REV. STAT. § 598.410 (1987) (definition of deceptive trade practice).

10. See 1989 Nev. Stat. ch. 848, sec. 15, at 2041 (enacting NEV. REV. STAT. § 598.\_\_\_\_) (the remedies provided are not exclusive).

11. See 1989 Nev. Stat. ch. 848, sec. 9, at 2040 (enacting NEV. REV. STAT. § 598.\_\_\_\_). A buyer who is temporarily disabled may extend the contract for a period equal to the disability; if permanently disabled the buyer may cancel and receive a refund on the contract. *Id.*

12. See *id.* sec. 10 at 2040 (if a membership club closes for more than one month, the buyer may elect to extend the period of the contract or receive a refund).

13. *Id.* sec. 11 at 2040 (if a membership club transfers its services to another club offering fewer services, or moves its location more than 20 miles from the buyer's residence, the buyer is entitled to a proportionate refund or other remedy). It is contrary to public policy for a buyer to waive any of the provisions of Chapter 848, therefore, a waiver will be void. *Id.*, sec. 13. A violation of any provision of this Chapter is a misdemeanor. *Id.* sec. 14 at 2041.

## Consumer Protection; motor vehicle dealers

NEV. REV. STAT. §§ 482.3638, 482.36423 (amended).  
AB 370 (Nevin); 1989 STAT. CH. 93

Existing law makes it an unfair act<sup>1</sup> to require a dealer of motor vehicles to release a manufacturer<sup>2</sup> from certain liability.<sup>3</sup> Under

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1. A district court may provide injunctive relief or damages for an unfair act. 1989 Nev. Stat. ch. 93, sec. 2, at 209 (amending NEV. REV. STAT. § 482.36423). Unfair acts includes: (1) raising prices of new vehicles without prior official written notification; (2) preventing dealers from designating others as participants in the franchise; and (3) modifying franchise agreements in violation of the law. *Id.* sec. 1, at 208 (amending NEV. REV. STAT. § 482.36423).

2. See NEV. REV. STAT. § 482.3638 (1987) (amended by 1989 Nev. Stat. ch. 93, sec. 1, at 209) (Chapter 93 covers manufacturers, distributors, factory branches, or any of their representatives).

3. *Id.* A release from liability, as imposed by Chapter 482 of the Nevada Revised Statutes, may be determined to be an unfair act. NEV. REV. STAT. § 482.3638 (1987).