

BILL ANALYSIS

S.B. 1702
By: Fraser
Public Health
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current practice under the Health Spa Act has revealed certain problems with the language and requirements of that act.

S.B. 1702 modifies provisions relating to the duration of security filed or posted by a health spa operator, amends the requirements relating to the manner in which a health spa member may file a claim for a refund with the secretary of state, amends the required language for certain health spa contracts, and sets forth the date by which a certificate holder and the secretary of state must maintain certain security.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1702 amends the Occupations Code to change the date by which a health spa operator certificate holder is required to maintain a surety bond or other security as a condition of certificate issuance from the later of to the earlier of the second anniversary of the date the certificate holder's health spa closes or the date the secretary of state determines that each claim filed against the security has been satisfied or foreclosed by law. The bill changes the date by which the secretary of state is required to maintain other security on file with the secretary if the security filed or posted by a health spa operator certificate holder is canceled from the later of to the earlier of the second anniversary of the date the certificate holder's health spa closes or the date the secretary determines that each claim filed against the security has been satisfied or foreclosed by law. The bill clarifies that a member of a health spa may file a claim against the security filed or posted by providing to the secretary a copy of the contract between the member and certificate holder who filed or posted the security, accompanied by proof of payment made under the contract, rather than by sending the copy to the secretary by certified mail.

S.B. 1702 revises the language required to be included in a contract for health spa membership by clarifying that a member filing a claim for a refund of unused membership fees because the health spa went out of business and did not provide facilities within a certain distance is required to file written notice of that claim and by removing language specifying that the notice is required to be mailed by certified mail to a specific address for the office of the secretary of state. The bill clarifies that the notice of closure or relocation posted by a certificate holder at the applicable health spa, in addition to other information, is required to state that a member of that spa may file with the secretary a claim to recover actual financial loss suffered as a result of spa closure not later than the 90th day after the date the notice is first posted, rather than not later than the 90th day after the date the health spa closes or relocates.

EFFECTIVE DATE

September 1, 2009.