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Lambert, S. Moore, Morrison, Romer, Vanderwende;
Sens. Buckson, Pettyjohn, Wilson

HOUSE OF REPRESENTATIVES
152nd GENERAL ASSEMBLY

HOUSE BILL NO. 378
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 6 OF THE DELAWARE CODE RELATING TO HEALTH SPA REGULATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 4205, Title 6 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 4205. Right of cancellation.

(a) Every health spa contract for the sale of future health spa services which are paid for in advance or for which the buyer agrees to pay in future installments shall be in writing and shall contain the following contractual provisions:

(1) A provision for the penalty-free cancellation of the contract within 3 business days of its making and a provision for a refund following such cancellation of all moneys paid under the contract upon written notice by the buyer.

(2) A provision for the cancellation of the contract if the health spa relocates or goes out of business and fails to provide alternative facilities within 15 miles of the location designated in the health spa contract, obligating the health spa to refund to the buyer funds paid or accepted in payment of the contract in an amount computed by dividing the contract price by the number of weeks in the contract term and multiplying the result by the number of weeks remaining in the contract term.

(3) A provision that to cancel a contract in accordance with paragraph (2) of this section, the buyer shall notify the health spa of cancellation in writing, by certified mail, return receipt requested, to the address specified in the health spa contract; that all moneys to be refunded upon cancellation of the health spa contract shall be paid within 30 days of receipt of the notice of cancellation; and that if the customer has executed any credit or lien agreement with the health spa to pay for all or part of health spa services, any such negotiable instrument executed by the buyer shall also be returned within 30 days after such cancellation.

(b)(1) As used in this subsection, “clear and conspicuous” means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language.

(2) A health spa shall provide to a buyer, in a clear and conspicuous manner and in a prominent location on the health spa’s website, a direct link or button on the health spa’s website through which the buyer can cancel the buyer’s health spa contract.