

HB 323 -- Funeral Merchandise

Co-Sponsors: Baker, Taylor, Avery

This bill requires that all persons selling or wishing to sell funeral merchandise to the public be licensed by the State Board of Embalmers and Funeral Directors as a retail funeral merchandise establishment. Licensees which hold merchandise in trust under preneed funeral contracts are required to be residents of this state or authorized to transact business in this state and be registered with the board. All merchandise contracts must be in writing and executed by a licensed establishment. Contracts must contain detailed information regarding beneficiaries, merchandise, and trust accounts.

Licensees are required to deposit all money paid by the purchaser for merchandise no later than 45 days from the date of receipt. Licensees may retain certain funds, not to exceed 20% of the total amount agreed to in the contract, for the purpose of offsetting expenses incurred during the course of doing business.

The bill further requires trustees to be state or federally chartered financial institutions. It is the duty of the trustee to accept, hold, administer, and distribute all deposits. The commingling of trusts is permitted if the licensee and trustee maintain adequate records of the funds deposited.

The bill requires licensees to maintain adequate records and file annual reports with the board. These reports must contain the total value of merchandise contracts sold during the reporting period, the names and addresses of trustees, and consent authority allowing the board to conduct examinations. Licensees are also required to notify the board of the disposing of assets and their intent to cease doing business. The board must determine if the licensee has arranged that all pending contracts are fulfilled before allowing this action to take place. The board is given the authority to waive certain requirements at their discretion.

Licensees are required to pay a biannual licensing fee of \$250.