

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	4 - 0 - 1
Yeas:	George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	Deckert
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	5/30

WHAT THE MEASURE DOES: Updates and clarifies statutes related to cemetery authorities, prearrangement sales contracts, sales contracts. Authorizes the Director of the Department of Consumer and Business Services to issue emergency orders to restrict or suspend certain certificates or registrations or to order certified providers or master trustees to cease and desist from specified conduct. Authorizes the director to appoint a successor provider for a cemetery or funeral home under conditions involving harm to consumers. Provides that authority to sell prearrangement contracts is not transferable so that the transferee must re-qualify as a provider with the agency. Allows the department to give endowment care cemeteries time to correct their processes for handling trust funds and reporting. Allows the Attorney General to petition for appointment of receivers for certain providers. Clarifies who may consent to the disinterment of remains. Deletes obsolete provisions regarding sale of burial shares. Makes additional technical and clarifying changes.

ISSUES DISCUSSED:

- Collaboration in developing the measure
- Need for specific authority in several cases
- Ability to step in before and after problems occur

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Division of Finance and Corporate Securities of the Department of Consumer and Business Services (DCBS) is charged with regulating the handling of trust funds by endowment care cemeteries and of persons selling contracts or managing funds paid by persons preplanning for their own funerals. Consumers that pre plan funerals/cemetery arrangements either pay the entire price, arrange for a payment plan, or purchase an insurance policy to cover the costs. Guaranteed contracts are available so that no additional payments will be required for merchandise or services contained in the contract. Providers may retain ten percent of the price of a guaranteed contract as a fee and the remainder is placed into a trust account managed by the provider or a master trustee. Other forms of contracts have different requirements and conditions. Statutes govern regulation of providers and trustees, information provided to consumers, how trust funds are managed, disbursements upon cancellation of contracts, and reporting requirements.

House Bill 2864-A makes numerous revisions to ORS 97, which governs the operation and regulation of cemeteries. Some of the changes are necessary to update the statutes as a result of the transfer of regulation of pre-arranged trusts from the Secretary of State to the Finance and Corporate Securities Division. The measure was prepared by the Oregon Cemetery Association with the help of a work group including funeral homes, cemeteries, banks, trust companies, consumers, and state agencies.

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This summary has not been adopted or officially endorsed by action of the committee.