

# SENATE BILL 148

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5r1481  
CF 5r1731

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By: **Senator Klausmeier**

Introduced and read first time: January 29, 2015

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

2 **Office of Cemetery Oversight – Preneed Burial Contracts – Report Submission**  
3 **Requirement**

4 FOR the purpose of altering the time period within which a certain seller of preneed goods  
5 or preneed services is required to submit a certain report regarding preneed burial  
6 contracts and preneed trust accounts to the Director of the Office of Cemetery  
7 Oversight; and generally relating to preneed burial contracts and the Office of  
8 Cemetery Oversight.

9 BY repealing and reenacting, without amendments,  
10 Article – Business Regulation  
11 Section 5–710(a) and (b)(2)  
12 Annotated Code of Maryland  
13 (2010 Replacement Volume and 2014 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article – Business Regulation  
16 Section 5–710(b)(1)  
17 Annotated Code of Maryland  
18 (2010 Replacement Volume and 2014 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

21 **Article – Business Regulation**

22 5–710.

23 (a) (1) Each seller shall keep detailed records of all preneed burial contracts  
24 and specific funds.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (2)    The records of each seller and of each trustee appointed by the seller  
2 are subject to examination by:

3                   (i)    the Director;

4                   (ii)   the Attorney General or an authorized representative of the  
5 Attorney General; and

6                   (iii)   the State's Attorney for the county where the seller does  
7 business.

8           (b)    (1)    Each seller subject to the trust requirements of this subtitle shall  
9 submit a report to the Director within [120] **180** days after the close of each calendar or  
10 other fiscal year chosen by the seller.

11                   (2)    The report shall:

12                   (i)    be on the form that the Director requires;

13                   (ii)   be certified by a certified public accountant retained by the seller;

14                   (iii)   be accompanied by a trustee's annual summary statement of  
15 assets from the trustee for the reporting period which includes:

16                           1.    the amount of money in the preneed trust fund at the  
17 beginning of the reporting period;

18                           2.    an investment portfolio summary describing the asset and  
19 the market value for each investment class;

20                           3.    a transaction summary of the preneed trust fund  
21 containing:

22                                   A.    trust account earnings;

23                                   B.    money deposited;

24                                   C.    total receipts;

25                                   D.    administrative expenses;

26                                   E.    withdrawals from the trust account for canceled contracts;

27                                   F.    withdrawals from the trust account for delivery of  
28 merchandise for use or storage, and for services performed, including the principal and  
29 earnings;

- 1 G. other disbursements; and
- 2 H. total disbursements; and
- 3 4. the amount of money in the preneed trust fund at the end  
4 of the reporting period;
- 5 (iv) be accompanied by a fee of \$25; and
- 6 (v) include:
- 7 1. the name of the seller;
- 8 2. each location of the seller;
- 9 3. the amount of money that the seller received during that  
10 year that is subject to the trust requirements of this subtitle;
- 11 4. the amount of money actually deposited into trust  
12 accounts in that year;
- 13 5. the amount of money required to be disbursed from the  
14 trust accounts in that year;
- 15 6. the amount of money actually disbursed from the trust  
16 accounts in that year; and
- 17 7. the name and address of the trustee.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
19 October 1, 2015.