

HOUSE BILL 103

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1998 Regular Session
8lr0645
CF 8lr0665

By: **Delegate Harrison**

Introduced and read first time: January 15, 1998

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 1998

CHAPTER_____

1 AN ACT concerning

2 **Preneed Burial Contracts - Caskets and Casket Vaults - Refunds**

3 FOR the purpose of allowing a buyer of certain products under a preneed burial
4 contract to cancel the contract and receive a certain refund under certain
5 circumstances; providing that existing obligations and contract rights may not
6 be impaired by this Act; and generally relating to preneed burial contracts.

7 BY repealing and reenacting, without amendments,
8 Article - Business Regulation
9 Section 5-708
10 Annotated Code of Maryland
11 (1992 Volume and 1997 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Business Regulation
14 Section 5-709
15 Annotated Code of Maryland
16 (1992 Volume and 1997 Supplement)

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

1

Article - Business Regulation

2 5-708.

3 (a) The trustee may not disburse specific funds until preneed goods are
4 delivered or preneed services are performed as provided in the preneed burial
5 contract or in this subtitle.

6 (b) On performance of a preneed burial contract:

7 (1) the seller shall certify to the trustee:

8 (i) delivery of the preneed goods or performance of the preneed
9 services; and

10 (ii) the amount of specific funds in the trust account; and

11 (2) the trustee shall then pay to the seller the specific funds and accrued
12 interest.

13 (c) (1) In a seller's records, the seller may itemize preneed goods or preneed
14 services to which the trust requirements of this subtitle apply and the consideration
15 paid or to be paid for each item.

16 (2) If a seller itemizes in accordance with paragraph (1) of this
17 subsection, on performance of that part of a preneed burial contract identified for
18 itemized preneed goods or preneed services:

19 (i) the seller shall certify to the trustee:

20 1. delivery of the preneed goods or performance of the
21 preneed services; and

22 2. the amount of the specific funds identified in the seller's
23 records for those preneed goods or preneed services; and

24 (ii) the trustee shall then pay to the seller those specific funds and
25 accrued interest.

26 (d) (1) If a preneed burial contract provides, for 2 or more individuals,
27 preneed goods or preneed services to which the trust requirements of this subtitle
28 apply, a seller may designate in the seller's records the consideration paid for each
29 individual.

30 (2) On performance of that part of the preneed burial contract identified
31 to a particular individual:

32 (i) the seller shall certify to the trustee:

33 1. delivery of the preneed goods or performance of the
34 preneed services; and

1 (III) IN ADDITION TO THE REFUND PAID BY THE TRUSTEE, THE
2 SELLER SHALL PAY TO THE BUYER AN AMOUNT OF MONEY NECESSARY TO PROVIDE
3 THE BUYER WITH A REFUND OF 100% OF THE MONEY PAID FOR THE CASKET OR
4 CASKET VAULT UNDER THE PRENEED BURIAL CONTRACT.

5 [(b)] (C) If a buyer FAILS TO PROVIDE WRITTEN NOTICE OF CANCELLATION
6 AND defaults on a preneed burial contract and, as a result, the seller terminates the
7 preneed burial contract:

8 (1) the seller shall certify to the trustee:

9 (i) the default and termination of the preneed burial contract;

10 (ii) the amount of the specific funds; and

11 (iii) the reasonable expenses of the seller; and

12 (2) the trustee shall then pay:

13 (i) to the buyer, those specific funds and accrued interest, less the
14 reasonable expenses of the seller; and

15 (ii) to the seller, the reasonable expenses of the seller.

16 [(c)] (D) If specific funds on deposit in a trust account have been dormant for
17 at least 50 years since the date of the last deposit or disbursement and the seller
18 cannot locate the buyer:

19 (1) the seller shall certify to the trustee:

20 (i) that the trust account is dormant and the buyer cannot be
21 located; and

22 (ii) the amount of the specific funds; and

23 (2) the trustee shall then pay to the seller those specific funds and
24 accrued interest.

25 SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing
26 obligation or contract right may not be impaired in any way by this Act.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 1998.

