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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)							
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10 (1772 totalic and 1771 Supplement)	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:

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34 preneed services; and

1 **Article - Business Regulation** 2 5-708. 3 (a) The trustee may not disburse specific funds until preneed goods are delivered or preneed services are performed as provided in the preneed burial contract or in this subtitle. On performance of a preneed burial contract: 6 (b) 7 the seller shall certify to the trustee: (1) (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 In a seller's records, the seller may itemize preneed goods or preneed (c) (1) 14 services to which the trust requirements of this subtitle apply and the consideration 15 paid or to be paid for each item. (2) If a seller itemizes in accordance with paragraph (1) of this 16 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. If a preneed burial contract provides, for 2 or more individuals, 26 (1) 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:

1.

delivery of the preneed goods or performance of the

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1 2	the preneed burial cor	ntract; and	2. d	the amount of the specific funds applicable to that part of
3 4	accrued interest.	(ii)	the trust	ee shall then pay to the seller those specific funds and
5	5-709.			
	(a) (1) buyer may cancel a pr preneed services not p	eneed bu	rial cont	AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A ract as to preneed goods not delivered or if the buyer:
9 10	specified in the prene	(i) eed burial		ently moves more than 75 miles from the cemetery; and
11 12	includes the buyer's r	(ii) new perm		the seller written notice, under oath, of the move and dress.
13	(2)	In that e	vent:	
14		(i)	the selle	er shall certify to the trustee:
15			1.	the cancellation of the preneed burial contract;
16 17	the preneed burial co.	ntract; an	2. d	the amount of the remaining specific funds applicable to
18			3.	the name and address of the buyer; and
19 20	funds and accrued int	(ii) terest.	the trust	ee shall then pay to the buyer the remaining specific
23	NOTICE, A BUYER UNDER A PRENEE	MAY C D BURIA	ANCEL AL CON	SUBSECTION (A) OF THIS SECTION, BY WRITTEN THE PURCHASE OF A CASKET OR CASKET VAULT TRACT AT ANY TIME PRIOR TO THE TIME THE BUYER VAULT FOR BURIAL.
25	(2)	IN THA	T EVEN	T:
26		(I)	THE SE	ELLER SHALL CERTIFY TO THE TRUSTEE:
27 28	OR CASKET VAUL	T UNDE	1. ER THE F	THE CANCELLATION OF THE PURCHASE OF THE CASKET PRENEED BURIAL CONTRACT;
29 30	THE CASKET OR C	CASKET	2. VAULT	THE AMOUNT OF THE SPECIFIC FUNDS APPLICABLE TO UNDER THE PRENEED BURIAL CONTRACT; AND
31			3.	THE NAME AND ADDRESS OF THE BUYER;
32 33	AND INTEREST AC	(II) CCRUED		RUSTEE SHALL PAY TO THE BUYER THE SPECIFIC FUNDS OSE FUNDS; AND

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3	THE BUYER WITH	A REFU	IN ADDITION TO THE REFUND PAID BY THE TRUSTEE, THE IE BUYER AN AMOUNT OF MONEY NECESSARY TO PROVIDE ND OF 100% OF THE MONEY PAID FOR THE CASKET OR HE PRENEED BURIAL CONTRACT.					
	[(b)] (C) If a buyer FAILS TO PROVIDE WRITTEN NOTICE OF CANCELLATION AND defaults on a preneed burial contract and, as a result, the seller terminates the preneed burial contract:							
8	(1)	the selle	r 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 trust	ee shall then pay:					
13 14	reasonable expenses	(i) of the sel	to the buyer, those specific funds and accrued interest, less the ler; and					
15		(ii)	to the seller, the reasonable expenses of the seller.					
	[(c)] (D) at least 50 years since cannot locate the buy	If specific funds on deposit in a trust account have been dormant for the the date of the last deposit or disbursement and the seller yer:						
19	(1)	the selle	r shall certify to the trustee:					
20 21	located; and	(i)	that the trust account is dormant and the buyer cannot be					
22		(ii)	the amount of the specific funds; and					
23 24	(2) accrued interest.	the trust	ee shall then pay to the seller those specific funds and					
25 26	SECTION 2. AND BE IT FURTHER ENACTED, That a presently existing obligation or contract right may not be impaired in any way by this Act.							
27 28	SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1998.							