

SENATE BILL 379

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1998 Regular Session
(8r0665)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Madden**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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

1 Annotated Code of Maryland
2 (1992 Volume and 1997 Supplement)

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

5 **Article - Business Regulation**

6 5-708.

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

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

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

12 (i) delivery of the preneed goods or performance of the preneed
13 services; and

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

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

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

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

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

24 1. delivery of the preneed goods or performance of the
25 preneed services; and

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

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

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

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

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

4 1. delivery of the preneed goods or performance of the
5 preneed services; and

6 2. the amount of the specific funds applicable to that part of
7 the preneed burial contract; and

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

10 5-709.

11 (a) (1) ~~[-A] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A~~
12 buyer may cancel a preneed burial contract as to preneed goods not delivered or
13 preneed services not performed ~~ONLY~~ if the buyer:

14 (i) permanently moves more than 75 miles from the cemetery
15 specified in the preneed burial contract; and

16 (ii) gives to the seller written notice, under oath, of the move and
17 includes the buyer's new permanent address.

18 (2) In that event:

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

20 1. the cancellation of the preneed burial contract;

21 2. the amount of the remaining specific funds applicable to
22 the preneed burial contract; and

23 3. the name and address of the buyer; and

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

26 (B) (1) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS
27 SECTION, BY WRITTEN NOTICE, A BUYER MAY CANCEL THE PURCHASE OF A CASKET
28 OR CASKET VAULT UNDER A PRENEED BURIAL CONTRACT AT ANY TIME PRIOR TO
29 THE TIME THE BUYER NEEDS THE CASKET OR CASKET VAULT FOR BURIAL.

30 (2) IN THAT EVENT:

31 (I) THE SELLER SHALL CERTIFY TO THE TRUSTEE:

32 1. THE CANCELLATION OF THE PURCHASE OF THE CASKET
33 OR CASKET VAULT UNDER THE PRENEED BURIAL CONTRACT;

