

SESSION OF 2010

**SUPPLEMENTAL NOTE ON
HOUSE SUBSTITUTE FOR SENATE BILL NO. 75**

As Recommended by House Committee on
Local Government

Brief*

House Sub. for SB 75 deals with cemetery corporation accounting. The bill would do the following for both the cemetery corporation permanent maintenance fund and the cemetery merchandise trust fund:

- Authorize the Attorney General, at the request of the Secretary of State, to initiate an action for an accounting of either fund or its accounts;
- If it is determined that the fund is underfunded due to inadequate deposits or unauthorized distributions, authorize the cemetery corporation to propose and implement a plan for correcting the fund's deficiencies, subject to the Secretary of State's approval; and
- Authorize the Secretary of State to resolve equitably the results of an audit.

The bill would become effective upon publication in the *Kansas Register*.

Background

As advanced by the Senate, SB 75 dealt with city-county consolidation study commissions. The House Committee on

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Local Government deleted the contents of the bill and substituted the contents of HB 2713.

The Secretary of State requested the introduction of HB 2713, as part of a legislative package proposed to increase consumer protection with respect to cemetery corporations. A representative of the Secretary of State explained that current law limits the Office's remedies regarding inadequate funds to injunction and receivership, which may lead to the cemetery vesting with the municipality and becoming a financial burden on the taxpayers. HB 2713 gives the Secretary of State another option, the representative reported.

Also testifying in support of the legislation were representatives of two funeral homes, a preneed legal services company, and the American Association of Retired Persons - Kansas. Testifying neutrally was a representative of a death care trust company. No opponents testified regarding HB 2713.

According to the fiscal note, the Secretary of State indicates costs associated with the passage of HB 2713 would be negligible and could be absorbed within existing resources.