

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2589

As Amended by House Committee on
Health and Human Services

Brief*

HB 2589, as amended, would require the disclosure of the following items in a prearranged funeral agreement:

- The names and addresses of the seller and purchaser;
- A statement of the funeral goods and services being purchased;
- Whether the contract is guaranteed or not guaranteed and if it is guaranteed, the goods and services included in the guarantee;
- Whether the contract is revocable or irrevocable;
- What happens to excess funds remaining after the funeral goods and services have been paid for;
- The name of the bank, credit union, or savings and loan, or trustee of the funeral trust in which the funds are deposited; and
- A notice that reasonable fees and expenses may be deducted from the trust.

The bill would take effect January 1, 2011.

*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>

Background

The bill was requested by the Kansas Funeral Directors Association (KFDA) as a result of a study the National Funeral Directors Association conducted on state prearranged funeral agreement laws. The results of the study rated Kansas prearranged funeral agreement laws as poor because Kansas law does not mandate disclosures.

Representatives of the Kansas Bankers Association and the Heartland Community Bankers Association objected to one requirement in the original bill which would have required that the trust, bank, credit union, or savings and loan association in which the funds were to be deposited would have been required to give the purchaser written notice that the funds had been deposited. The House Committee deleted this provision with the agreement of the KFDA.

The fiscal note indicates that the fiscal effect of enactment of this legislation would be negligible according to the Board of Mortuary Arts. The bill could require additional investigations on complaints filed relating to the new disclosures, but the agency could handle the additional workload within existing staffing levels.