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## FISCAL IMPACT REPORT

SPONSOR: Larranaga DATE TYPED: 02/19/01 HB 585  
 SHORT TITLE: Update Endowed Cemetery Care Act SB \_\_\_\_\_  
 ANALYST: Valdes

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Financial Institutions Division, Regulation and Licensing Department

### SUMMARY

#### Synopsis of Bill

House Bill 585 will amend the Endowed Care Cemetery Act to accomplish the following objectives:

- Allows the pooling of trust funds by cemeteries to obtain economic efficiencies.
- Clarifies exemptions which result in additional cemeteries being subject to the Act.
- Allows trust fund deposits in all state and federally chartered financial institutions.
- Requires a new registration upon sale of a cemetery.
- Clarifies administrative procedures to enforce the Act including establishing criteria for denial, suspension or revocation of registration.
- Establishes late fees for failure to file and fourth degree felony charges for violating the Act.
- Requires an increased amount of initial trust fund deposit or a bond in lieu of deposit.
- Increases the initial deposit requirement from \$20.0 to \$25.0. The bond requirement is increased from \$30.0 to \$35.0.

#### Significant Issues

This bill allows cemetery trust funds to be commingled, upon approval of the Financial Institutions Division Director. This is significant for smaller cemeteries to allow greater efficiencies through economies of scale and lower maintenance costs of the trust funds. This will increase funding availability for endowed care.

The bill clarifies the exemption for municipal, fraternal, religious and family cemeteries that provide burial only for family members.

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The bill establishes new provisions concerning establishment of a cemetery authority, transfer of ownership, denial or revocation of registration and judicial review.

### **PERFORMANCE IMPLICATIONS**

This bill may affect the Financial Institution Division's performance output measure which states that 80 percent of the applications will be processed within a standard number of days.

### **FISCAL IMPLICATIONS**

There is no additional cost to the department anticipated with the passage of this bill.

The clarification of exemptions may result in minimal additional new revenue according to the department.

### **ADMINISTRATIVE IMPLICATIONS**

No impact.

MV/ar/njw