



2015 SENATE BILL 123

April 17, 2015 - Introduced by Senators LEMAHIEU and LASSA, cosponsored by Representatives KATZMA, KOYENGA, HORLACHER, R. BROOKS, BALLWEG, E. BROOKS, SPREITZER, KULP, EDMING and KAHL. Referred to Committee on Elections and Local Government.

- 1 **AN ACT to amend** 157.19 (1) of the statutes; **relating to:** trust funds related to
2 cemetery lots, mausoleum spaces, and cemetery merchandise.

Analysis by the Legislative Reference Bureau

Current law authorizes a person who owns or operates a cemetery (cemetery authority) to receive any of the following:

1. Funds for the care of a cemetery lot (lot care funds).
2. Funds for the care of a mausoleum space (mausoleum care funds).
3. Funds paid under an agreement (preneed sales contract) for the sale of a future mausoleum space or for the sale of goods or services, to be delivered in the future, associated with the burial of human remains, including monuments, markers, and urns, but excluding caskets (preneed trust funds).

Under current law, with limited exceptions, a cemetery authority may deposit lot care funds, and must deposit mausoleum care funds and preneed trust funds, with a state-chartered or federally chartered financial institution located in this state, including a bank, savings bank, savings and loan association, trust company, or credit union (financial institution). The financial institution must invest the care funds and preneed trust funds in compliance with certain prudent investor standards.

This bill allows a cemetery authority to deposit lot care funds, mausoleum care funds, and preneed trust funds with a broker-dealer registered, or exempt from registration, with the Division of Securities in the Department of Financial Institutions by expanding the definition of “financial institution” for these purposes to include such a broker-dealer. A “broker-dealer” is defined, with limited

