



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2015 Senate Bill 123

**Senate
Amendment 1**

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2015 Senate Bill 123 modifies certain requirements applicable to cemetery lot care funds (“lot funds”), mausoleum care funds (“mausoleum funds”), and trust funds established in connection with preneed cemetery sales contracts (“preneed trust funds”).

CURRENT LAW

Under current law, a person who owns or operates a cemetery (“cemetery authority”) is authorized to receive lot funds, and *may* deposit such funds with a state- or federally chartered financial institution (“financial institution”) located in the state. Also, under current law, a cemetery authority is authorized to receive mausoleum funds and preneed trust funds, and *must* deposit such funds with a financial institution located in the state.

For purposes of these funds, a financial institution may include a bank, savings bank, savings and loan association, trust company, or credit union. Current law requires the financial institution to maintain the funds in accordance with certain requirements specified in the statute, including requirements under the Uniform Prudent Investor Act.

2015 SENATE BILL 123

The bill allows a cemetery authority to deposit lot funds, mausoleum funds, and preneed trust funds with a “broker-dealer,” who is a person engaged in the business of effecting transactions in securities. Under the bill, the definition of financial institutions is expanded to include a broker-dealer registered with the Division of Securities in the Department of Financial Institutions, or a broker-dealer exempt from such registration.

SENATE AMENDMENT 1

The amendment narrows the change under the bill, so that it would apply only to deposits of lot funds and mausoleum funds. Under the amendment, a cemetery authority would be authorized to deposit lot funds or mausoleum funds with a “broker-dealer.” However, with respect to preneed trust funds, the current law definition of financial institution would continue to apply.

BILL HISTORY

Senate Amendment 1 was offered by Senator LeMahieu on June 2, 2015. On June 3, 2015, the Senate Committee on Elections and Local Government voted to recommend adoption of the amendment, on a vote of Ayes, 5; Noes, 0. On the same day, the committee voted to recommend passage of the bill, as amended, on a vote of Ayes, 5; Noes, 0.

BL:jal