

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 19-57—SB 848

General Law Committee

AN ACT CONCERNING FUNERAL SERVICE CONTRACTS AND CEMETERIES

SUMMARY: This act increases the maximum allowable amount of an irrevocable funeral service contract from \$8,000 to \$10,000 (see BACKGROUND). It requires these contracts to provide that after the contract's required services are performed, the remaining funds must be used to pay the state for the amount of public assistance the state paid on behalf of the decedent or his or her dependent child.

The act also eliminates the prohibition on selling crypts or rooms in a public mausoleum, or niches in a public columbarium, before the structures are completed. By law, mausolea and columbaria, subject to Department of Public Health approval and land use controls, may be operated in established cemeteries by municipalities, ecclesiastical societies, cemetery associations, or corporations.

Lastly, the act makes technical and conforming changes.

EFFECTIVE DATE: January 1, 2020, except the provision on selling crypts, rooms, and niches is effective July 1, 2019, and a conforming change is effective October 1, 2019.

REMAINING FUNDS

Under the act, beginning January 1, 2020, irrevocable funeral services contracts must provide that upon fulfilling the contract's requirements after the beneficiary's death, any remaining funds must be used to repay the state for (1) medical assistance the state paid on the beneficiary's behalf that is recoverable under federal law or (2) other public assistance it paid on behalf of the beneficiary or the beneficiary's dependent child. The amount provided to the state may not exceed the total amount of assistance it paid.

The act requires the funeral service establishment that provides the contract's required services to pay any such amount to the social services commissioner within 60 days after performing all of the services. If the establishment pays the funds to someone else, the act makes the establishment liable for repaying the funds.

BACKGROUND

Funeral Service Contracts

A funeral service contract is a contract requiring compensation in exchange for funeral, burial, or related services or items that are not immediately needed.

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Compensation may be paid as money, the delivery of securities, or the assignment of a life insurance policy's death benefit. These contracts are sometimes referred to as "prepaid" or "pre-need" funeral service contracts because the individual is paying for services to be provided in the future.