

File No. 656

(Reprint of File No. 155)

House Bill No. 5307
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
May 1, 1998

AN ACT CONCERNING THE DISCLOSURE OF OWNERSHIP
INFORMATION BY FUNERAL SERVICE BUSINESSES.

Be it enacted by the Senate and House of
Representatives in General Assembly convened:

1 (NEW) (a) Each person, firm or corporation
2 that carries on or engages in a funeral service
3 business, as defined in section 20-207 of the
4 general statutes, shall display, on a sign located
5 immediately inside of such funeral service
6 business, in a place proximate to the display of
7 the license and certificate required by chapter
8 385 of the general statutes and in a manner
9 visible to the public, the following ownership
10 information:

11 (1) The name of every licensed funeral
12 director, as defined in section 20-207 of the
13 general statutes, who holds an ownership interest
14 of ten per cent or more in the corporation,
15 limited liability company, partnership, limited
16 partnership or other business entity that operates
17 such funeral service business; and

18 (2) The name of any corporation, limited
19 liability company, partnership, or limited
20 partnership that holds an ownership interest of

21 ten per cent or more in such funeral service
22 business.

23 (b) Each person, firm or corporation that
24 carries on or engages in such funeral service
25 business shall include, on any contract for the
26 sale of funeral services or merchandise, the name,
27 business address and business telephone number of
28 any corporation, limited liability company,
29 partnership, or limited partnership that holds an
30 ownership interest of ten per cent or more in such
31 funeral service business.

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER HB 5307

STATE IMPACT	Uncertain, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Departments of Consumer Protection, Public Health, Office of the Attorney General

EXPLANATION OF ESTIMATES:

As the bill contains no explicit enforcement provisions, it is unclear whether either the Departments of Consumer Protection or Public Health would have resulting responsibilities given its passage.

The Department of Public Health (DPH) is charged with issuing inspection certificates for funeral service businesses. (A total of 330 certificates were issued as of January, 1998.) It cannot be determined at this time whether violation of provisions contained in the bill might be considered a cause to deny an inspection certificate.

Pursuant to Section 20-227 C.G.S., the DPH may refuse to grant an inspection certificate, or the Connecticut Board of Examiners of Embalmers and Funeral Directors may take disciplinary action against any holder of an inspection certificate for violation of DPH statute. Should the bill's provisions be codified under Chapter 385 C.G.S., the agency may become involved in adjudication hearings. A corresponding indeterminate workload increase would result. A penalty of up to \$100 for a first time offense and up to \$500 for a second

offense may be collected for violations (Section 20-233 C.G.S.).

If the Department of Consumer Protection is deemed responsible for enforcement under the Unfair Trade Practices Act, it is anticipated that there will be a minimal workload increase which can be handled within normal budgetary resources. Those cases which cannot be handled administratively by DCP may cause a minimal workload increase to the Office of the Attorney General, which can be handled within the agency's anticipated budgetary resources.

House "A" makes technical changes and has no associated fiscal impact.

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OLR AMENDED BILL ANALYSIS

HB 5307 (as amended by House "A")*

AN ACT CONCERNING THE DISCLOSURE OF OWNERSHIP INFORMATION BY FUNERAL SERVICE BUSINESSES

SUMMARY: This bill requires funeral homes to post a sign near the funeral home inspection certificate and funeral director and embalmer licenses and in a location visible to the public stating (1) the name of every registered licensed funeral director who holds at least 10% interest in the business operating the funeral home and (2) the names of all corporations or other businesses that own 10% or more of the funeral home. It also requires a funeral home to include the name, business address, and business telephone number of these businesses in its contracts for funeral services and merchandise.

*House Amendment "A" (1) eliminates the requirement that indirect ownership information be disclosed; (2) eliminates the requirement that ownership information be disclosed on letterhead, invoices, advertising and marketing materials; (3) requires ownership information to be disclosed on contracts for funeral services and merchandise; and (4) changes where the signs disclosing ownership information must be hung.

EFFECTIVE DATE: October 1, 1998

BACKGROUND**Legislative History**

The House referred the original bill to the Public Health (April 1) and Judiciary (April 14) committees. They reported the bill favorably without change on April 8 and 22, respectively.

COMMITTEE ACTION

General Law Committee

Joint Favorable Report
Yea 16 Nay 0

Public Health Committee

Joint Favorable Report
Yea 22 Nay 2

Judiciary Committee

Joint Favorable Report
Yea 40 Nay 0