

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 18-1284.01 Yelana Love x2295

HOUSE BILL 18-1440

HOUSE SPONSORSHIP

Valdez,

SENATE SPONSORSHIP

Todd,

House Committees

Public Health Care & Human Services
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PRENEED FUNERAL CONTRACT SELLERS, AND, IN**
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill:

- ! Creates the preneed relief fund to provide restitution to preneed contract buyers;
- ! Requires funeral establishments to identify the individuals who sell preneed funeral contracts at, or on behalf of, the establishment;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

- ! Requires that all registered funeral establishments also be licensed as preneed contract sellers; and
- ! Limits each registration of a funeral establishment to one physical location.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-15-103.3 as
3 follows:

4 **10-15-103.3. Preneed relief fund - rules.** (1) (a) THE PRENEED
5 RELIEF FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY
6 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF GIFTS, GRANTS,
7 AND DONATIONS AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY
8 MAY APPROPRIATE OR TRANSFER TO THE FUND.

9 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
10 INCOME DERIVED FROM THE DEPOSIT OF AND INVESTMENT OF MONEY IN
11 THE FUND TO THE FUND.

12 (c) STATE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED
13 TO THE DIVISION FOR RESTITUTION PAYMENTS TO CONTRACT BUYERS
14 WHEN CONTRACT BUYERS ARE UNABLE TO OBTAIN RESTITUTION DIRECTLY
15 FROM PRENEED SELLERS.

16 (2) THE COMMISSIONER SHALL PROMULGATE REASONABLE RULES
17 NECESSARY TO CARRY OUT THIS SECTION.

18 **SECTION 2.** In Colorado Revised Statutes, 12-54-103, **add** (3)
19 as follows:

20 **12-54-103. Funeral establishment.** (3) A FUNERAL
21 ESTABLISHMENT SHALL SUBMIT THE NAMES OF ALL INDIVIDUALS WHO SELL
22 PRENEED CONTRACTS AT, OR ON BEHALF OF, THE FUNERAL
23 ESTABLISHMENT TO THE DIVISION OF INSURANCE ON A FORM ESTABLISHED

1 BY THE COMMISSIONER OF INSURANCE.

2 **SECTION 3.** In Colorado Revised Statutes, 12-54-110, **amend**
3 (3)(d); and **add** (2.5) and (3.5) as follows:

4 **12-54-110. Registration required - rules.** (2.5) EACH FUNERAL
5 ESTABLISHMENT SHALL BECOME LICENSED IN ACCORDANCE WITH SECTION
6 10-15-103 NO LATER THAN ONE HUNDRED EIGHTY DAYS AFTER INITIAL
7 REGISTRATION FOR INITIAL APPLICANTS OR NO LATER THAN THE FIRST
8 RENEWAL FOR REGISTERED ESTABLISHMENTS. THE DIRECTOR MAY
9 PROMULGATE REASONABLE RULES TO ENSURE COMPLIANCE WITH THIS
10 SUBSECTION (2.5).

11 (3) Each funeral establishment shall appoint an individual as the
12 designee of the funeral establishment. A designee shall:

13 (d) Have the authority within the funeral establishment's
14 organization to require that personnel comply with this article **54** AND
15 ARTICLE 15 OF TITLE 10; and

16 (3.5) ON AND AFTER NOVEMBER 1, 2018, A REGISTRATION ISSUED
17 UNDER THIS SECTION IS VALID FOR ONLY ONE PHYSICAL LOCATION.

18 **SECTION 4. Appropriation.** For the 2018-19 state fiscal year,
19 \$28,403 is appropriated to the department of regulatory agencies for use
20 by the division of insurance. This appropriation is from the division of
21 insurance cash fund created in section 10-1-103 (3), C.R.S., and is based
22 on an assumption that the division will require an additional 0.4 FTE. To
23 implement this act, the division may use this appropriation for personal
24 services.

25 **SECTION 5. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2018 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.