

FEB 14 2001
COMMERCE AND REGULATION

HOUSE FILE 266
BY BOGESS

(COMPANION TO SF 55 BY
ANGELO)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the disclosure of ownership of a funeral or
2 cremation establishment.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 266

1 Section 1. Section 523A.8, Code 2001, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. In addition to the requirements of
4 subsection 1, paragraph "a", a funeral establishment or
5 cremation establishment as defined in section 156.1 shall
6 disclose ownership information and the establishment's permit
7 number issued pursuant to section 523A.9 on all business
8 literature, correspondence, and contracts. Within fifteen
9 days of a change in ownership of a funeral establishment or
10 cremation establishment which has entered into an agreement
11 under section 523A.1 for the provision of funeral merchandise
12 or funeral services, the seller shall notify all purchasers of
13 funeral merchandise or funeral services by first class mail of
14 the change in ownership. The notification shall identify the
15 name and establishment permit number of the individual or
16 entity to whom ownership of the establishment has been
17 transferred, and shall advise the purchaser of funeral
18 merchandise or funeral services of the purchaser's right to
19 either transfer or receive a total refund of trust funds
20 deposited or insurance premiums paid pursuant to this chapter,
21 including interest or income thereon. For purposes of this
22 subsection, a "change of ownership" means the sale or transfer
23 of all or substantially all of the assets of, or a controlling
24 interest in, a funeral establishment or cremation
25 establishment, or the termination of business of a funeral
26 establishment or cremation establishment where there is not a
27 transfer of assets or a controlling interest.

28 EXPLANATION

29 This bill relates to the disclosure of ownership of a
30 funeral or cremation establishment. The bill provides that a
31 funeral or cremation establishment as defined in Code section
32 156.1 shall disclose ownership information and an
33 establishment permit number on all business literature,
34 correspondence, and contracts. The bill also provides that
35 within 15 days of a change in ownership, a funeral or

1 cremation establishment which has entered into an agreement
2 for the provision of funeral merchandise or funeral services
3 shall notify all purchasers of the merchandise or services by
4 first class mail of the change in ownership. The bill
5 provides that the notification shall identify the name and
6 establishment permit number of the individual or entity to
7 whom ownership of the establishment has been transferred, and
8 shall advise the purchaser of the merchandise or services of
9 the purchaser's right to either transfer or receive a total
10 refund of prepaid trust funds or insurance premiums, including
11 interest or income thereon. The bill provides that a "change
12 of ownership" means the sale or transfer of all or
13 substantially all of the assets of a funeral or cremation
14 establishment, the sale or transfer of a controlling interest
15 of a funeral or cremation establishment, or the termination of
16 business of a funeral or cremation establishment where there
17 is not a transfer of assets or a controlling interest.

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