2023 Regular Session

HOUSE BILL NO. 302

BY REPRESENTATIVES ST. BLANC AND TURNER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CEMETERIES: Provides relative to cemetery trust funds

1	AN ACT			
2	To amend and reenact R.S. 8:454(C)(2) and 502(F), relative to cemetery trust funds; to			
3	provide for master trust funds; to provide for the requirements of such funds; and to			
4	provide for related matters.			
5	Be it enacted by the Legislature of Louisiana:			
6	Section 1. R.S. $8:454(C)(2)$ and $502(F)$ are hereby amended and reenacted to read			
7	as follows:			
8	§454. Trust funds required; master trust fund funds			
9	* * *			
10	C.			
11	* * *			
12	(2) The master trust fund shall be subject to the following requirements:			
13	(a) It shall include only trust funds with a principal balance of less than two			
14	hundred fifty thousand dollars. Upon a determination that a trust fund made a part			
15	of a master trust fund has a principal sum exceeding two hundred fifty thousand			
16	dollars at the end of a reporting period, such trust fund shall no longer be subject to			
17	the collective investment and administration of the master trust fund and shall be			
18	removed from the master trust fund within ninety days.			

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(b) The designated trustee of a master trust fund shall maintain separate			
2	records of principal and income for each participant in the master trust fund.			
3	(c) (b) The income and associated expenses of the master trust fund shall be			
4	divided among the participants in the master trust fund based on the proportion that			
5	each participant contributes to the balance of the master trust fund.			
6	$\frac{(d)}{(c)}$ The annual report by the designated trustee of the master trust fund			
7	shall include an itemized separate accounting for each participant in the master trust			
8	fund. Such annual report shall comply with the provisions of R.S. 8:456.			
9	(e) (d) The operation of the master trust fund shall be subject to the			
10	provisions of this Title and the rules and regulations of the board.			
11	* * *			
12	§502. Payments to trust; amounts required; master trust fund			
13	* * *			
14	F. The trust shall be operated in conformity with R.S. $8:454(B)$ and (C) and			
15	465(A) with respect to the nature and character of the trust and duties of the trustee.			

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 302 Engrossed	2023 Regular Session	St. Blanc
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Abstract: Clarifies the requirements of cemetery master trust funds.

<u>Present law</u> allows for a designated trustee of two or more trust funds, with the approval of all participants, to apply to the La. Cemetery Board to become a master trust fund and administer funds accordingly.

<u>Present law</u> requires that all participating companies in a master trust fund have a balance of less than \$250,000, and if they exceed that amount, participants are required to withdraw within 90 days.

<u>Proposed law</u> repeals <u>present law</u> and allows for any trust fund to participate in a master trust fund.

<u>Present law</u> states that a trust shall be operated in conformity with <u>present law</u> (R.S. 8:454(B) and 465(A)).

<u>Proposed law</u> retains present law and includes that a trust shall be operated in conformity with additional present law (R.S. 8:454(C)).

(Amends R.S. 8:454(C)(2) and 502(F))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Commerce</u> to the <u>original</u> bill:
- 1. Remove <u>proposed law</u> that provides for a master perpetual care trust fund.
- 2. Restore the <u>present law</u> requirement for a master trust fund.
- 3. Remove <u>proposed law</u> that outlines the requirements for a trustee establishing a preneed cemetery merchandise and services trust fund. Remove <u>proposed law</u> that provides for requirements that a master preneed cemetery merchandise and services trust fund shall be subject to. Remove <u>proposed law</u> that outlines preneed cemetery contracts.
- 4. Make technical changes.