HLS 23RS-381 ENGROSSED

2023 Regular Session

HOUSE BILL NO. 302

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BY REPRESENTATIVES ST. BLANC AND TURNER

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

AN ACT

CEMETERIES: Provides relative to cemetery trust funds

| 2  | To amend and reenact R.S. 8:454(C)(2) and 502(F), relative to cemetery trust funds; to  |
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| 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.                                  |

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

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| 1  | (b) The designated trustee of a master trust fund shall maintain separate               |
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| 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  | (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

**Abstract:** Clarifies the requirements of cemetery master trust funds.

Present law 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.

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

<u>Proposed law</u> retains <u>present law</u> and includes that a trust shall be operated in conformity with additional <u>present law</u> (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.