

SB125 L.002

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.SB13-125 be amended as follows:

- 1 Amend printed bill, page 2, strike lines 8 and 9 and substitute "contract."
- 2 Page 3, line 2, strike "~~written~~ contract, ORAL" and substitute "written
3 contract,".
- 4 Page 3, line 5, strike "ORAL".
- 5 Page 3, strike lines 11 and 12 and substitute "benefits.".
- 6 Page 4, strike line 2 and substitute "(1) (a) and (4) as follows:".
- 7 Page 4, line 12, strike "IS SOUND AND".
- 8 Page 5, strike line 27.
- 9 Strike page 6.
- 10 Page 8, strike line 9 and substitute "(9); and **add** (10) as follows:".
- 11 Page 8, strike lines 11 through 27.
- 12 Page 9, strike lines 1 through 4.
- 13 Page 9, strike lines 15 through 18 and substitute "CONTRACT BUYER, MAY
14 TRANSFER THE TRUST FUNDS TO ANOTHER FUNERAL PROVIDER. THE
15 ORIGINAL PRENEED SELLER MAY RETAIN UP TO FIFTEEN PERCENT OF THE
16 ORIGINAL PRENEED".
- 17 Page 9, strike lines 20 through 24 and substitute:
 - 18 (10) (a) THE CONTRACT SELLER SHALL:
 - 19 (I) DISCLOSE THE NAME AND ADDRESS OF THE TRUSTEE WHO
20 HOLDS THE PRENEED CONTRACT FUNDS; AND
 - 21 (II) NOTIFY THE BUYER WHEN THE PRENEED CONTRACT FUNDS ARE
22 DEPOSITED INTO TRUST.
 - 23 (b) TO COMPLY WITH THIS SUBSECTION".
- 24 Page 9, strike line 27.



1 Page 10, strike lines 1 through 11.

2 Renumber succeeding sections accordingly.

3 Page 10, strike lines 14 through 27 and substitute:

4 **"10-15-111.5. Change of ownership - rules.** (1) (a) A SALE OF
5 AN EXISTING PRENEED CONTRACT THAT CHANGES WHO PROVIDES FUNERAL
6 GOODS AND SERVICES IS VOID UNLESS APPROVED BY THE COMMISSIONER
7 UNDER THIS SECTION. TO TRANSFER OWNERSHIP, THE CONTRACT SELLER
8 MUST REPORT A PENDING SALE OF THE PRENEED CONTRACT TO THE
9 COMMISSIONER IN WRITING AT LEAST FOURTEEN DAYS BEFORE THE SALE
10 CLOSING. THE NOTICE MUST INCLUDE:

11 (I) THE NAME AND ADDRESS OF THE CONTRACT SELLER;

12 (II) THE NAME AND ADDRESS OF THE ORGANIZATION PROPOSING
13 TO ACQUIRE OWNERSHIP OF THE PRENEED CONTRACT, REFERRED TO IN THIS
14 SECTION AS THE "TRANSFEREE";

15 (III) THE NAME AND ADDRESS OF THE OWNERS, OPERATORS,
16 CORPORATE OFFICERS, PARTNERS, OR MEMBERS OF THE TRANSFEREE;

17 (IV) THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTION
18 WHERE PRENEED FUNDS ARE HELD;

19 (V) THE NAME UNDER WHICH PRENEED FUNDS ARE HELD;

20 (VI) A DESCRIPTION OF EACH PRENEED CONTRACT,
21 ARRANGEMENT, OR AGREEMENT INCLUDED IN THE SALE;

22 (VII) AN ACCOUNTING OF THE TRUST FUND AND ALL TRANSFERRED
23 AND OUTSTANDING PRENEED CONTRACTS, INCLUDING THE NUMBER OF
24 PENDING CONTRACTS, THE FULL CONTRACT VALUE, THE CURRENT VALUE
25 FOR EACH CONTRACT, A RECORD OF ALL DISBURSEMENTS FROM PRENEED
26 TRUST ACCOUNTS WITHIN THE LAST TWENTY-FOUR MONTHS, AND THE
27 INFORMATION REQUIRED IN THE ANNUAL REPORT;

28 (VIII) ANY DOCUMENTS OR AMENDMENTS THERETO CONCERNING
29 THE TRUST OR INSURANCE FUNDS, OR ANY OTHER PREPLANNING OR
30 PREFUNDING AGREEMENTS;

31 (IX) A COPY OF THE NOTICE PROPOSED TO BE SENT TO THE
32 CONTRACT BUYERS AFTER THE TRANSFER; AND

33 (X) ANY OTHER INFORMATION THAT IS REASONABLY REQUIRED BY
34 THE COMMISSIONER BY RULE.

35 (b) THE COMMISSIONER MAY, BY RULE OR ORDER, WAIVE OR
36 REDUCE ANY OR ALL OF THE REQUIREMENTS IN SUBPARAGRAPHS (I) TO (X)
37 OF PARAGRAPH (a) OF THIS SUBSECTION (1) AS UNNECESSARY OR



1 INAPPROPRIATE IN THE PUBLIC INTEREST OR FOR THE PROTECTION OF THE
2 CONTRACT BUYERS.

3 (2) THE COMMISSIONER SHALL APPROVE THE CONTRACT SELLER'S
4 APPLICATION FOR CHANGE OF OWNERSHIP BY WRITTEN AUTHORIZATION IF:

5 (a) THE ACCOUNTING IS COMPLETE, ACCURATE, AND SHOWS THE
6 TRUST FUND IS WHOLE AND INTACT;

7 (b) ALL REQUIRED INFORMATION AND DOCUMENTS ARE FILED WITH
8 THE COMMISSIONER; AND

9 (c) THE TRANSFEREE HOLDS A VALID CONTRACT SELLER'S LICENSE,
10 OR IS QUALIFIED UNDER SECTION 10-15-103 FOR A CONTRACT SELLER'S
11 LICENSE, AND IS ABLE TO PERFORM ALL TRANSFERRED PRENEED
12 CONTRACTS IN ACCORDANCE WITH THIS ARTICLE.

13 (3) (a) THE CONTRACT SELLER, OR PERSON WITH AN INTEREST IN
14 THE CONTRACT, REMAINS LIABLE FOR ALL FUNDS AND TRANSACTIONS
15 UNTIL THE EFFECTIVE DATE OF THE TRANSFER.

16 (b) ANY DISCREPANCIES, MALFEASANCE, OR FRAUD PRIOR TO THE
17 SALE OF THE PRENEED CONTRACT IS THE RESPONSIBILITY OF THE SELLER,
18 FOR WHICH THE SELLER IS LIABLE.

19 (4) WITHIN THIRTY DAYS AFTER APPROVAL BY THE
20 COMMISSIONER, THE TRANSFEREE OF A PRENEED CONTRACT SHALL SEND
21 A NOTICE TO THE LAST-KNOWN ADDRESS OF EACH CONTRACT BUYER
22 INFORMING THE BUYER OF THE CHANGE IN OWNERSHIP AND THE
23 ASSUMPTION OF THE OBLIGATION TO PERFORM THE PRENEED CONTRACT."

24 Strike pages 11 and 12.

25 Page 13, strike lines 1 through 4.

26 Page 14, after line 16 insert:

27 "SECTION 9. In Colorado Revised Statutes, 12-54-110, amend
28 (2) (a) introductory portion, (2) (a) (IV) (C), and (2) (a) (IV) (D); and add
29 (2) (a) (IV) (E) as follows:

30 **12-54-110. Registration required.** (2) (a) Each funeral
31 establishment shall register with the director using forms as determined
32 by the director. The registration shall include ~~without limitation~~, the
33 following:

34 (IV) A list of each of the following services provided at each
35 funeral establishment location:

36 (C) Transporting human remains to or from the funeral
37 establishment or the place of final disposition; and



1 (D) Providing funeral goods or services to the public; AND
2 (E) SELLING PRENEED CONTRACTS.
3 **SECTION 10.** In Colorado Revised Statutes, 12-54-303, **amend**
4 (2) (a) introductory portion, (2) (a) (IV) (C), and (2) (a) (IV) (D); and **add**
5 (2) (a) (IV) (E) as follows:
6 **12-54-303. Registration required.** (2) (a) Each crematory shall
7 register with the director using forms as determined by the director. The
8 registration shall include ~~without limitation~~, the following:
9 (IV) A list of each of the following services provided at each
10 crematory location:
11 (C) Providing funeral goods or services to the public; and
12 (D) Cremating human remains; AND
13 (E) SELLING PRENEED CONTRACTS."
14 Renumber succeeding section accordingly.

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