

HB 2088 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 1/23, 1/28

WHAT THE MEASURE DOES:

Authorizes Department of Consumer and Business Services to suspend or restrict operations of an endowment care cemetery or take other necessary action when cemetery violates requirements. Requires Department to promptly hold hearing regarding such action. Allows Department, district attorney, or local government to petition the circuit courts to appoint receiver for cemetery. Directs Department to adopt rules, in collaboration with State Mortuary and Cemetery Board, regarding minimum standards of care of endowment care cemeteries and public access to endowment care cemeteries. Establishes prohibited actions of person connected with endowment care cemetery. Becomes operative January 1, 2020. Declares emergency, effective on passage.

REVENUE: No revenue impact.

FISCAL: May have fiscal impact, but statement not yet issued.

ISSUES DISCUSSED:

- Example of unlawful practices of endowment care cemetery in Klamath Falls
- Types of cemeteries
- Trustee management of endowment care cemetery funds

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Owners of a cemetery may establish an irrevocable trust fund to care, maintain, and enhance the cemetery. Such a cemetery is defined as an endowment care cemetery. A specified percentage of gross sales of products and services must be deposited by the endowment care cemetery with the trustee or custodian of its fund. There are 75 endowment care cemeteries in Oregon and approximately \$35 million held in trust. As a means to protect consumers, the endowment care cemetery must file an annual report with the Department of Consumer Business and Services.

House Bill 2088 enhances the remedies available to the Department to address endowment care cemeteries that violate statutory requirements.