

HB 2088 STAFF MEASURE SUMMARY

Senate Committee On Business and General Government

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Meeting Dates: 3/7

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 provide opportunity for hearing after taking such action. Allows Department, local district attorney, or local government to petition court for appointment of receiver for endowment care cemetery. Requires Department, in consultation with State Mortuary and Cemetery Board, to adopt by rule minimum standards for maintenance and operation of endowment care cemetery and ability of public to access premises. Prohibits specified acts of fraud or falsehood in connection with operation of endowment care cemetery. Becomes operative January 1, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Owners of a cemetery may establish an irrevocable trust fund to care for, 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 currently 75 endowment care cemeteries in Oregon, with a combined total of approximately \$35 million held in trust. As a means to protect consumers, each 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.