

HB 2088 STAFF MEASURE SUMMARY
Senate Committee On Business and General Government

Carrier: Sen. Hansell

Action Date: 03/07/19
Action: Do pass.
Vote: 4-0-1-0
Yeas: 4 - Girod, Hass, Olsen, Riley
Exc: 1 - Dembrow
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Tyler Larson, LPRO Analyst
Meeting Dates: 3/7

WHAT THE MEASURE DOES:

Authorizes Department of Consumer and Business Services (DCBS) to suspend or restrict operations of an endowment care cemetery or take other necessary action when cemetery violates requirements. Requires DCBS to promptly provide opportunity for hearing after taking such action. Allows DCBS, local district attorney, or local government to petition court for appointment of receiver for endowment care cemetery. Requires DCBS, 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 of falsehood in connection with operation of endowment care cemetery. Becomes operative January 1, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- DCBS regulation of financial operations of endowment care cemeteries and history of financial fraud
- Need for additional tools to address financial fraud in the operation of endowment care cemeteries

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 and Business Services (DCBS).

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