

# HOUSE BILL REPORT

## HB 1886

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**As Reported by House Committee On:**  
Consumer Protection & Business

**Title:** An act relating to prearrangement funeral services.

**Brief Description:** Concerning prearrangement funeral services.

**Sponsors:** Representatives Walen, Robertson, Berg, Reeves and Santos.

**Brief History:**

**Committee Activity:**

Consumer Protection & Business: 1/12/24, 1/19/24 [DP].

**Brief Summary of Bill**

- Excludes funeral merchandise delivered at the time of sale, or within 30 days of the sale, and transportation protection agreements from prearrangement funeral service contracts and trusting requirements.
- Modifies the percentage of a sale for a prearrangement funeral service contract that a funeral establishment must place into trust from 90 percent to 80 percent.

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### HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

**Majority Report:** Do pass. Signed by 12 members: Representatives Walen, Chair; Reeves, Vice Chair; Robertson, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Chapman, Connors, Donaghy, Hackney, Ryu, Sandlin, Santos and Volz.

**Staff:** Megan Mulvihill (786-7304).

**Background:**

A prearrangement funeral service contract is a contract under which, for a specified

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consideration, a funeral establishment promises, upon the death of the person named or implied in the contract, to furnish funeral merchandise or services.

Funeral establishments that sell funeral merchandise and prearrangement funeral service contracts must establish and maintain one or more prearrangement funeral service trusts with two or more designated trustees. The funeral establishment must trust at least 90 percent of the cash purchase price of each prearrangement funeral service contract, paid in advance and excluding sales tax. As a result, funeral establishments are permitted to retain up to 10 percent of the cash purchase price. Monies placed into trust must be invested according to state law and are not considered assets of the funeral establishment.

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**Summary of Bill:**

A prearrangement funeral service contract does not include funeral merchandise that is delivered either at the time of sale or within 30 days thereafter or transportation protection agreements. Transportation protection agreement is defined to mean an agreement that primarily provides for the coordination and arrangement of all professional services related to the preparation of transportation and subsequent transportation of human remains or cremated remains.

Funeral establishments are not required to trust monies received for funeral merchandise delivered at the time of sale, or within 30 days of the sale, nor are they required to trust monies received for transportation protection agreements.

The percentage of the prearrangement funeral service contract that is required to be placed in trust by the funeral establishment is reduced from 90 percent to 80 percent, allowing the funeral establishment to retain 20 percent.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Prearrangement services allow a person to purchase their funeral in advance. The funeral establishment has to place 90 percent of those funds in a trust. This can prevent barriers to entry into the funeral business and impacts cash flow issues. Washington is one of the highest states in the country at 90 percent, and the change to 80 percent would help

align with the rest of the country. Transportation agreements are for when a person passes away more than 75 miles from where they intend to be buried. Travel protection was not a big deal years ago, but now people travel all the time. People make better financial decisions when they are informed. These changes modernize the industry to help attract more participants to the funeral administration business.

(Opposed) None.

**Persons Testifying:** Representative Amy Walen, prime sponsor; Brent Ludeman, Service Corporation International Washington Funeral Services; and Scott Sheehan, Washington Cemetery, Cremation and Funeral Association.

**Persons Signed In To Testify But Not Testifying:** None.