Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Consumer Protection & Business Committee

HB 1005

Brief Description: Concerning prearrangement funeral services.

Sponsors: Representatives Ryu, Corry and Reeves.

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.

Hearing Date: 1/14/25

Staff: Megan Mulvihill (786-7304).

Background:

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

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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.

Summary of Bill:

Funeral merchandise delivered at the time of sale or within 30 days and transportation protection agreements are not included in prearrangement funeral service contracts. 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.

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.