HOUSE BILL REPORT
HB 1005

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 Ryu, Corry and Reeves.

Brief History:
Committee Activity:
Consumer Protection & Business: 1/14/25, 1/21/25 [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.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 15 members: Representatives Walen, Chair; Hackney, Vice Chair; McClintock, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Abbarno, Berry, Corry, Donaghy, Kloba, Morgan, Reeves, Ryu, Santos, Steele and Volz.

Staff: Megan Mulvihill (786-7304).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

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 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.

Staff Summary of Public Testimony:

(In support) People buy prearrangement funeral services so their family members do not have to worry about the financial burden or make difficult choices during difficult times. Planning ahead allows families to focus on celebrating the end of life. Funeral homes and

cemeteries either use a trust or an insurance vehicle to hold the funds. The price is guaranteed and a family will never pay more. The changes proposed are minor, but help ensure that funeral homes can pay their staff and cover expenses. It has become challenging to operate a funeral business. This makes funeral homes more competitive and helps attract new people into the industry.

Travel protection was not needed 20 years ago, but it is very common today for people to travel. If a death occurs elsewhere, coordination needs to happen to have the remains transported back. If someone adds transportation protection to their services, the person becomes immediately covered. This means the provider of that service needs to be paid immediately.

(Opposed) None.

Persons Testifying: Representative Cindy Ryu, prime sponsor; and Scott Sheehan, Washington Cemetery, Cremation and Funeral Association.

Persons Signed In To Testify But Not Testifying: None.