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**HOUSE BILL NO. 268**

Offered January 14, 2004

Prefiled January 8, 2004

*A BILL to amend and reenact §§ 54.1-2313 and 54.1-2322 of the Code of Virginia, relating to the Cemetery Board; powers; use of income by cemeteries.*

Patron—Morgan

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 54.1-2313 and 54.1-2322 of the Code of Virginia are amended and reenacted as follows:**

§ 54.1-2313. Board; appointment; terms; vacancies; meetings; quorum; other powers; regulations.

A. The Cemetery Board shall consist of seven members to be appointed by the Governor as follows: four cemetery operators who have operated a cemetery in the Commonwealth for at least five consecutive years immediately prior to appointment, no more than two of whom shall be affiliated with a cemetery company incorporated in the Commonwealth which is owned, operated or affiliated, directly or indirectly, with a foreign corporation; one representative of local government, and two citizen members. Appointments to the Board shall generally represent the geographical areas of the Commonwealth.

B. Of the members initially appointed to the Board, three shall be appointed for a term of four years, two shall be appointed for a term of three years, and two shall be appointed for a term of two years. Thereafter, all appointments shall be for terms of four years, except that appointment to fill vacancies shall be for the unexpired terms. No person shall be eligible to serve for more than two successive four-year terms.

C. The Board shall annually elect a chairman and a vice chairman from among its members. The Board shall hold at least two meetings each year and may meet as often as its duties require. Four members shall constitute a quorum.

D. In addition to the general powers and duties conferred in this subtitle, the Board shall have the power and duty to (i) regulate preneed burial contracts and perpetual care trust fund accounts as prescribed by this chapter, including, but not limited to, the authority to prescribe preneed contract forms, disclosure requirements and disclosure forms and to require reasonable bonds to insure performance of preneed contracts and (ii) regulate and register sales personnel employed by a cemetery company.

E. In addition to such other regulations the Board deems appropriate, the Board shall adopt regulations which regulations that provide:

1. A method for executing, at-need, a preneed burial contract, including the petitioning a court of competent jurisdiction for the appointment of a receiver, where a licensee who is a party to such preneed burial contract has had his license to operate a cemetery revoked or suspended for violation of this chapter or Board regulations; and

2. Consumer protections which are consistent with those provisions of the Federal Trade Commission Funeral Rules which that the Board finds may be appropriately applied to cemetery companies.

*No regulation of the Board, however, shall require a cemetery company to provide an accounting of trust funds more often than quarterly.*

§ 54.1-2322. Use of income from perpetual care trust fund.

The income from the perpetual care trust fund shall be used solely and exclusively for the general care, maintenance, administration and embellishment of the cemetery, *including any capital improvements to the cemetery deemed necessary by the cemetery company.*

INTRODUCED

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