

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact §§ 54.1-2316 and 54.1-2322 of the Code of Virginia and to amend the*
3 *Code of Virginia by adding a section numbered 54.1-2313.1, relating to the Cemetery Board;*
4 *perpetual care trust funds and preneed burial contracts; appointment of receiver.*

5 [H 857]

6 Approved

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

8 **1. That §§ 54.1-2316 and 54.1-2322 of the Code of Virginia are amended and reenacted, and that**
9 **the Code of Virginia is amended by adding a section numbered 54.1-2313.1 as follows:**

10 *§ 54.1-2313.1. Protection of preneed burial and perpetual care trust funds; operation of cemetery*
11 *company; appointment of receiver.*

12 *No licensee or any agent of the licensee shall divert or misuse any funds held in trust or otherwise*
13 *held by him for another. If preneed or perpetual care funds are held in trust and the Board or its*
14 *agents have reason to believe that (i) the licensee is not able to adequately protect the interest of the*
15 *person involved, (ii) the licensee has had his license suspended, revoked or surrendered, or (iii) the*
16 *conduct of the licensee or the operation of the cemetery threatens the interests of the public, the Board*
17 *may file a petition with any court of record having equity jurisdiction over the licensee or any of the*
18 *funds held by him stating the facts upon which it relies and the relief requested. The court may*
19 *temporarily enjoin further activity by the licensee and take such further action as shall be necessary to*
20 *ensure that the cemetery company is operated in full compliance with this chapter and the Board's*
21 *regulations, or to conserve, protect, and disburse the funds involved, or both, including the appointment*
22 *of a receiver to operate the cemetery company. The Board shall not be liable for any expenses or fees*
23 *of the receiver.*

24 *§ 54.1-2316. Certain representations unlawful; perpetual care trust fund required.*

25 *It shall be unlawful to sell or offer for sale in the Commonwealth any grave or entombment right in*
26 *a cemetery and, in connection therewith, to represent to the public in any manner, express or implied,*
27 *that the entire cemetery or any grave or entombment right therein will be perpetually cared for, unless*
28 *adequate provision has been made for the perpetual care of the cemetery and all graves and entombment*
29 *rights therein as to which such representation has been made.*

30 *Each cemetery company shall establish in a Virginia trust company or trust subsidiary or a federally*
31 *insured bank or savings institution doing business in the Commonwealth, an irrevocable trust fund in the*
32 *amount of at least \$25,000 \$50,000 before the first lot, parcel of land, burial or entombment right is*
33 *sold. This fund shall be designated the perpetual care trust fund.*

34 *§ 54.1-2322. Use of income from perpetual care trust fund.*

35 *The income from the perpetual care trust fund shall be used solely and exclusively for the general*
36 *care, maintenance, administration and embellishment of the cemetery. Unless prior approval has been*
37 *obtained from the Board or a court of competent jurisdiction, the principal of the perpetual care trust*
38 *fund shall only be used for investment purposes.*

39 **2. That the Board shall promulgate regulations to implement the provisions of this act to be**
40 **effective within 280 days of its enactment.**