

By: Davis of Dallas

H.B. No. 3538

A BILL TO BE ENTITLED

AN ACT

relating to certain prepaid funeral benefit contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 154, Finance Code, is amended by adding Section 154.265 to read as follows:

Sec. 154.265. DEFAULT UNDER CERTAIN CONTRACTS. (a)

Notwithstanding any other law, the purchaser of a trust-funded prepaid funeral benefits contract may not be considered in default under the contract if the purchaser has paid at least 85 percent of the contract price.

(b) A funeral provider is not required to provide funeral merchandise or services under a trust-funded prepaid funeral benefits contract unless any remaining balance, including any applicable finance charge, owed under the contract is paid before the funeral service or the funeral provider agrees in writing to another payment arrangement.

(c) This section does not affect a purchaser's right to cancel a trust-funded prepaid funeral benefits contract.

SECTION 2. The change in law made by this Act applies only to a contract that is entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2009.