

BILL ANALYSIS

C.S.H.B. 4108
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Committee Report (Substituted)

BACKGROUND AND PURPOSE

There is a trend in the cemetery industry whereby corporations are obtaining the ownership rights of cemeteries that were previously family run. When that ownership transfers to these corporations, maintenance and upkeep fees often increase without warning for family members. C.S.H.B. 4108 seeks to address this issue and provide certain consumer protections for families when following a change in ownership of a perpetual care cemetery.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 4108 amends the Health and Safety Code to prohibit the new certificate holder, on the transfer of the business ownership of a perpetual care cemetery, from modifying the terms, including the amount of any fees for the cemetery's maintenance or upkeep, of a prepaid funeral contract entered into by the plot owner and the transferor without the plot owner's agreement. The bill requires the new certificate holder to do the following not later than 60 days after the date the transfer is executed:

- notify each plot owner of the transfer and the identity of the new certificate holder and that the new certificate holder may not modify the terms of a prepaid funeral contract entered into by the plot owner and the transferor; and
- provide to each plot owner the costs outlined in the prepaid funeral contract entered into by the plot owner and the transferor.

The bill gives the new certificate holder the option to provide the notice and costs by mail, email, telephone, or in any other manner that ensures the owner will receive the notice and costs.

C.S.H.B. 4108 requires a perpetual care cemetery to have a representative available during a transfer of ownership and for at least 120 days following the transfer in order to provide assistance to a plot owner or the owner's immediate family members or authorized representative. The assistance must be provided in English or Spanish or, if applicable, English and any other language spoken by a substantial portion of the individuals residing in the area in which the cemetery is located.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4108 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a provision that did not appear in the original prescribing the manner by which the new certificate holder may provide to the plot owner the required notification regarding the transfer of ownership of the cemetery and the costs outlined in the owner's existing prepaid funeral contract.