

BILL ANALYSIS

C.S.H.B. 3252

By: Meza

Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Cemeteries in Texas are required by law to establish a perpetual care trust fund to maintain and preserve the cemetery grounds in perpetuity. This trust fund is typically funded by a percentage of the fees charged for interment rights and is managed by a trustee who is responsible for investing and managing the funds. These trust funds are intended to provide a reliable source of funding for cemetery upkeep, including the costs associated with landscaping, maintenance, and repairs. However, the money in these trust funds cannot be used for any other purpose besides the maintenance of the cemetery. This limits the ability of cemetery operators to expand or improve their facilities. C.S.H.B. 3252 seeks to provide increased flexibility in how the distributions of funds from a perpetual care trust fund may be used.

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. 3252 amends the Health and Safety Code to include the following among the authorized uses of a fund distribution from the perpetual care trust fund of a corporation operating a perpetual care cemetery in Texas:

- the expansion of the cemetery; and
- the enhancement of the corporation's administrative capabilities with regard to maintaining and caring for the cemetery.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3252 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced authorized only a corporation that has in its perpetual care trust fund a balance in an amount greater than the minimum capital amount the corporation is required by statute or rule to maintain to use those funds to expand the perpetual care cemetery or to enhance

the corporation's administrative capabilities with regard to maintaining and caring for the perpetual care cemetery, and only after petitioning the Texas Department of Banking to do so, the substitute instead includes these among the authorized uses of a fund distribution from any corporation's perpetual care trust fund, without departmental approval required.