

STAND. COM. REP. NO. 2471

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2599
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 2599 entitled:

"A BILL FOR AN ACT RELATING TO THE FUNERAL INDUSTRY,"

begs leave to report as follows:

The purpose of this measure is to establish certain standards and requirements and make various amendments to the laws governing pre-need funeral and interment contracts and trusts.

Testimony in opposition to this measure was submitted by Dodo Mortuary, Inc.; Hawaii Allied Memorial Council; the Hawaii Funeral Directors Association; Hawaii Memorial Life Plan; and Mililani Group, Inc. Comments on the measure were submitted by the Department of Commerce and Consumer Affairs.

Your Committee finds that the pre-need funeral and interment industry in Hawaii is subject to very few regulatory laws in comparison to other states, and that Hawaii residents are in need of certain assurances regarding quality and security concerning this particular industry.

Your Committee has amended this measure by:

- (1) Eliminating the annual audit requirement by the Director of Commerce and Consumer Affairs (Director) of funeral authorities;



- (2) Adding the creation of a Board of Cemetery and Funeral Trusts whose seven members will be appointed by the Governor;
- (3) Adding that the cemetery or pre-need authority shall maintain a file on each salesperson selling pre-need funeral or pre-need interment goods and services;
- (4) Adding the creation of a pre-need cemetery and funeral governance fund;
- (5) Adding definitions of "board", "consumer", and "consumer organization";
- (6) Removing the amendment that would have raised from seventy per cent to eighty-five per cent, the percentage of the contract price to be placed in trust pursuant to section 441-22.5, Hawaii Revised Statutes;
- (7) Adding that a consumer is entitled to a refund including any interest earnings and any increase in value if a contract is canceled or terminated;
- (8) Adding amendments to section 441-23, Hawaii Revised Statutes, concerning prohibited behavior of cemetery and pre-need authorities;
- (9) Giving additional powers to the Director to fine and revoke or suspend funeral authority licenses for certain enumerated infractions;
- (10) Adding certain penalties for noncompliance with any required audits; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2599, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2599, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.




Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,

Suzanne Chun Oakland
SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

| | | | | |
|---|---|---------------------------------------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 2599 | HSP, CPH | 2/12/08 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: | | | | |
| <input type="checkbox"/> Pass, unamended 2312 | <input checked="" type="checkbox"/> Pass, with amendments 2311 | <input type="checkbox"/> Hold 2310 | | |
| <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHUN OAKLAND, Suzanne (C) | ✓ | | | |
| IHARA, Jr., Les (VC) | ✓ | | | |
| HOOSER, Gary L. | | | | ✓ |
| SAKAMOTO, Norman | | | | ✓ |
| HEMMINGS, Fred | ✓ | | | |
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| TOTAL | 3 | 0 | 0 | 2 |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
|  | | | | |
| Distribution: | | | | |
| Original | Yellow | Pink | | |
| File with Committee Report | Clerk's Office | Drafting Agency | | |

*Only one measure per Record of Votes