

Approved February 4, 1987
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:06 a.m./~~xxx~~ on January 28, 1987 in room 531-N of the Capitol.

All members were present except: Senators: Bogina and Gaines

Committee staff present: Mike Heim, Emalene Correll, Theresa Kiernan and Lila McClaflin

Conferees appearing before the committee:

John Peterson, Kansas Cemetery Association
Jim Snyder, Executive Director, Kansas Funeral Directors Association
Bob McCracken, General Manager, Mount Hope Cemetery, Topeka

The hearing on S.B. 11 continued.

John Peterson testified in opposition to S.B. 11. He stated in the past 10 years the need for pre-need services has increased. There has been an increase by the public to want to make these decisions at a time when they can compare prices and make more rational determinations and more rational plans for what they would want for themselves and their loved ones. The cemetery merchandise law that was enacted in 1982 has in fact worked well with the exemption of the battle over the sale of caskets. Which all of us are aware of, is a battle more over the issue of competition than it is over issues of whether the cemetery law has worked. It has served to allow for the sale of pre-need merchandise and to protect the consumer. The cemetery merchandise law is fundamentally different than the funeral directors law in that it deals only with tangible merchandise and it provides that the individual is in fact purchasing that merchandise all that is being delayed is the delivery of the merchandise. We opposed S.B. 499 last year because it placed the sale of caskets under a statute where there was no auditing and a statute we believed was less competitive. The Interim Committee has recommended some auditing. We are still opposing the bill but we believe it is better than S.B. 499 of last session.

There was some discussion on New Sec. 2 of the bill, which reads the Secretary of State "may audit". Mr. Peterson stated he did not think you would want to mandate that everyone be audited every year. The important thing was for the Secretary of State to have the basic information on file with their office and he recommended it would be well to include that in the bill.

Jim Snyder stated the pre-need accounts have to be reported to their council every two years as long as the Secretary of State's Office has the power to audit that was all they thought was necessary.

Bob McCracken responded to a question on when cemetery merchandise is cemetery merchandise and when it is not. He stated once the merchandise is delivered or used it is no longer cemetery merchandise, existing means something that is delivered or already in place.

Senator Salisbury stated her remarks did not directly affect S.B. 11, but they addressed two areas that seemed to be troublesome, the audit and the limit on irrevocable trusts for public assistance under SRS. She thought the matter of audit had been discussed and if it was deemed by the Legislature that regular audits be conducted then they would also have to provide the funds for this regardless of what agency was doing the audit. She asked the Chairman if the Committee would consider requesting a bill draft that would raise the limits in 16-303, the irrevocable trust limit to some amount that this committee and the industry determined to be a more realistic amount to cover burial.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

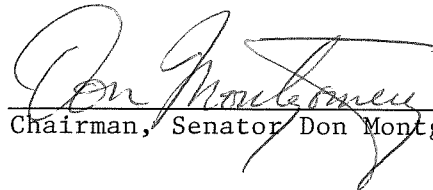
MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT,
room 531-N, Statehouse, at 9:06 a.m./~~p.m.~~ on January 28, 1987

The Chairman stated next Wednesday, February 4, 1987, had been set aside to consider bill requests. The Committee would be happy to honor the requests at that time.

Senator Allen moved to report S.B. 11 favorably for passage. The motion was seconded by Senator Winter. The motion carried with Senator Langworthy voting against it.

Senator Allen moved to adopt the minutes of January 26, 1987 meeting. The motion was seconded by Senator Winter. The minutes were adopted.

The Chairman announced that the meeting of January 29 would be cancelled, next meeting will be February 4, 1987. The meeting adjourned at 9:25 a.m.


Chairman, Senator Don Montgomery

