



# State of Tennessee

## PUBLIC CHAPTER NO. 959

### SENATE BILL NO. 2578

By Taylor, Yager, Mr. Speaker McNally

Substituted for: House Bill No. 2173

By Alexander, Mitchell, Garrett, Tim Hicks, Gary Hicks, Hale

AN ACT to amend Tennessee Code Annotated, Section 62-5-414, relative to funerals.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-5-414, is amended by deleting subsections (h)–(l) and substituting instead the following:

(h)(1) There is established within the general fund a pre-need funeral state administrative fund referred to as the "pre-need funeral account". Funds received by the commissioner under this section must be deposited into the pre-need funeral account and:

(A) Held solely for the purposes related to the pre-need registration program and any receivership action initiated by the commissioner against a pre-need seller pursuant to this section; and

(B) Used to fund the pre-need registration program and any receivership action initiated by the commissioner against a pre-need seller to the extent the funds or assets of the pre-need seller are not adequate to fund the receivership.

(2) The state treasurer shall, on the effective date of this act, transfer all funds in the indigent burial fund created by the version of § 62-5-414(h) in effect as of December 31, 2024, to the pre-need funeral account.

(3) If the balance of the account drops below two million dollars (\$2,000,000) as of June 30 of any year, then the state administrative fee pursuant to subsection (j) increases to twenty dollars (\$20.00) on the following January 1. If, after the administrative fee has increased to twenty dollars (\$20.00), the balance of the account is two million five hundred thousand dollars (\$2,500,000) or greater as of June 30 of any year, then the fee reverts to ten dollars (\$10.00) on the following January 1.

(4) Interest accruing on investments and deposits of the fund must be credited to the account, must not revert to the general fund, and must be carried forward into each subsequent fiscal year.

(i) Moneys within the pre-need funeral account must be invested by the state treasurer in accordance with § 9-4-603 for the sole benefit of the pre-need funeral account.

(j) A pre-need registration renewal must not be issued unless the applicant pays, in addition to the renewal fee, a pre-need state administrative fee of ten dollars (\$10.00) for every pre-need funeral sales contract entered into during the preceding renewal period and the state administrative fee may be charged to the consumer as part of the transaction. If the pre-need funeral sales contract covers both funeral merchandise and cemetery merchandise as defined in § 46-1-102, then a pre-need seller, other than a cemetery company paying a consumer protection fee for such a contract pursuant to § 46-1-105, shall pay only one (1) state administrative fee for the contract, which must be credited to the pre-need funeral account. A pre-need seller shall not charge a consumer more than one (1) state

administrative fee for the execution of one (1) or more pre-need funeral sales contracts entered into by the consumer at any one (1) time.

(k) There is no liability on the part of, and a cause of action of any nature must not arise against, the commissioner or the department or its employees or agents for any action taken by them in the performance of their power and duties under this section.

SECTION 2. For the purpose of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2025, the public welfare requiring it.

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PASSED: April 23, 2024

  
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RANDY McNALLY  
SPEAKER OF THE SENATE

  
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CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 9<sup>th</sup> day of May 2024

  
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BILL LEE, GOVERNOR