

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING FUNERAL TRUST LAWS; REQUIRING
5 FUNERAL TRUST FUNDS TO COMPLY WITH THE PRUDENT INVESTOR RULE; AND AMENDING
6 SECTION 37-19-828, MCA."

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8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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10 **Section 1.** Section 37-19-828, MCA, is amended to read:

11 **"37-19-828. Funeral trust fund -- deposit of money.** (1) (a) A party that provides services pursuant
12 to a contract for a prearranged funeral or related services and that receives money under the contract shall
13 deposit the money within 10 business days of receipt in a banking institution or invest the money in the stock of
14 a savings or building and loan association or in the shares of a credit union.

15 (b) The banking institution, savings or building and loan association, or credit union shall maintain
16 an office in this state and must be organized under the laws of this state, of another state, or of the United
17 States.

18 (c) Deposits or investments made as provided in this section ~~must be insured by an instrumentality~~
19 ~~of the federal government must comply with the prudent investor rule provided for in Title 72, chapter 38, part 9.~~
20 The rule may not be waived.

21 (2) Deposits or investments made pursuant to this section constitute a trust fund for the benefit of
22 the person contracting for the prearranged funeral or related services. The money must be placed in a separate
23 account in the name of the depositor as trustee for the person contracting for the prearranged funeral or related
24 services."

25 - END -