

**HOUSE BILL NO.**

Introduced by

Representative Dosch

1 A BILL for an Act to create and enact section 43-10-22.2 of the North Dakota Century Code,  
2 relating to funeral establishment ownership disclosures; and to provide an effective date.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1.** Section 43-10-22.2 of the North Dakota Century Code is created and  
5 enacted as follows:

6 **43-10-22.2. Disclosure of ownership - Change in ownership.**

- 7 1. A funeral establishment shall include in all of the funeral establishment's business  
8 literature, correspondence, advertising, and contracts a statement as to who owns  
9 the funeral establishment.
- 10 2. Within fifteen days of a change in ownership of a funeral establishment, the funeral  
11 establishment shall notify each pre-need consumer by first-class mail of the  
12 change in ownership. The notification must inform each pre-need consumer of the  
13 consumer's right to transfer all pre-need deposited funds to a new establishment  
14 and must inform each pre-need consumer who has revocable pre-need deposited  
15 funds of the consumer's right to terminate the deposit and receive a refund of all  
16 principal paid and interest accrued.
- 17 3. For purposes of this section:
- 18 a. "Change in ownership" means the sale or transfer of all or substantially all of  
19 the assets of a funeral establishment, the sale or transfer of a controlling  
20 interest of a funeral establishment, or the termination of the business of a  
21 funeral establishment in which there is no transfer of assets or stock.
- 22 b. "Controlling interest" means an interest in a partnership of greater than fifty  
23 percent or greater than fifty percent of the issued and outstanding shares of a  
24 stock of a corporation.

1           **SECTION 2. EFFECTIVE DATE.** This Act becomes effective on January 1, 2006.