

Withdrawn
3/26/03

FEB 13 2003

COMMERCE, REGULATION & LABOR

HOUSE FILE 192
BY KLEMME

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act prohibiting a cancellation penalty upon cancellation of a
2 purchase agreement for cemetery merchandise, funeral
3 merchandise, and funeral services.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF-192

1 Section 1. Section 523A.602, subsection 2, paragraph b,
2 Code 2003, is amended to read as follows:

3 b. If a purchase agreement is canceled, a purchaser
4 requests a transfer of the trust assets upon cancellation of a
5 purchase agreement, or another establishment provides
6 merchandise or services designated in a purchase agreement,
7 the seller shall refund or transfer within thirty days of
8 receiving a written demand no less than the purchase price of
9 the applicable cemetery merchandise, funeral merchandise, and
10 funeral services adjusted for inflation, using the consumer
11 price index amounts announced by the commissioner annually,
12 less any cancellation-penalty actual expenses incurred by the
13 seller pursuant to the purchase agreement as set forth in the
14 purchase agreement under section 523A.601, subsection 1,
15 paragraph "f". The amount of the cancellation-penalty actual
16 expenses deducted by the seller shall not exceed ten percent
17 of the purchase price of the applicable cemetery merchandise,
18 funeral merchandise, and funeral services. The seller may
19 also deduct the value of the cemetery merchandise, funeral
20 merchandise, and funeral services already received by,
21 delivered to, or warehoused for the purchaser.

22 EXPLANATION

23 This bill prohibits a cancellation penalty upon
24 cancellation of a purchase agreement for cemetery merchandise,
25 funeral merchandise, funeral services, or a combination
26 thereof by providing that when such a purchase agreement is
27 canceled, the seller of the purchase agreement must refund or
28 transfer, upon a written demand, no less than the purchase
29 price of the applicable cemetery merchandise, funeral
30 merchandise, and funeral services adjusted for inflation,
31 using the consumer price index amounts announced by the
32 commissioner annually, less any actual expenses incurred by
33 the seller which have been specified in the purchase
34 agreement. The bill also provides that the amount of actual
35 expenses deducted from the purchase price by the seller cannot

1 exceed 10 percent of the purchase price of the applicable
2 cemetery merchandise, funeral merchandise, and funeral
3 services.

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