

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 13-0524.01 Jery Payne x2157

SENATE BILL 13-125

SENATE SPONSORSHIP

Todd,

HOUSE SPONSORSHIP

DelGrosso,

Senate Committees

Business, Labor, & Technology

Appropriations

House Committees

Business, Labor, Economic, & Workforce

Development

Appropriations

HOUSE
3rd Reading Unamended
May 1, 2013

HOUSE
Amended 2nd Reading
April 30, 2013

A BILL FOR AN ACT

101 **CONCERNING PRENEED FUNERAL CONTRACTS, AND, IN CONNECTION**

102 **THEREWITH, REDUCING AN APPROPRIATION.**

SENATE
3rd Reading Unamended
April 17, 2013

SENATE
Amended 2nd Reading
April 16, 2013

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill amends the statutes regulating preneed funeral contracts. Currently, preneed contract sellers are licensed by the commissioner of insurance. An audit of a seller is no longer required every 5 years. The commissioner may designate a qualified person, preferably a division

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

employee, to conduct the audit. The current fee structure for licensing a seller is replaced with authority to set the fee to cover the cost of regulation.

Currently, selling unsold lots in an undeveloped cemetery is exempt from regulation. For the exemption to apply, the bill requires the sales contract to provide for a comparable resting place or a full refund if the original becomes unavailable.

Notwithstanding a contract, the preneed buyer or the person directing final disposition is authorized to transfer the contract to another provider, but the original provider may retain up to 25% of the original preneed contract price.

The bill requires the person holding a trust fund or providing insurance for a preneed contract to notify the buyer when the funds are deposited or when they are applied towards the purchase of an insurance policy. The contract seller or insurance producer must advise the buyer that this notice is required by law.

If a preneed contract does not guarantee the prices charged, it must be clearly identified as a "nonguaranteed contract".

A preneed contract business cannot be sold without the commissioner's approval. Procedures are set for approval of the sale. If the commissioner determines that the finances of the buyer will support performing the contracts, then the sale is approved. The new owner is required to send a notice to the preneed contract buyer of the sale. When a contract seller surrenders a license, the commissioner must approve the financial ability of the contract seller to perform the contracts. The commissioner retains jurisdiction over the contracts of an inactive contract seller until all contracts are fulfilled. In an emergency, the commissioner may administer the preneed contracts and accounts if a seller goes out of business due to financial insolvency, criminal activity, or a license suspension.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-15-102, **amend**
3 (6) and (13); and **add** (8.5) as follows:

4 **10-15-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (6) "Contract seller" means a person who sells OR OFFERS TO SELL
7 FUNERAL GOODS, merchandise, ~~and~~ OR services through a preneed
8 contract.

1 (8.5) "FUNERAL GOODS" HAS THE SAME MEANING AS IN SECTION
2 12-54-102, C.R.S.

3 (13) (a) "Preneed contract" means any written contract,
4 agreement, or mutual understanding, ~~any series or combination of~~
5 ~~contracts, agreements, or mutual understandings,~~ or any security or other
6 instrument ~~which~~ THAT is convertible into a contract, ___ agreement, or
7 mutual understanding whereby, ~~it is agreed that,~~ upon the death of the
8 preneed contract beneficiary, a final resting place, merchandise, or
9 services ~~shall be~~ ARE provided or performed in connection with the final
10 disposition of the ~~preneed contract~~ beneficiary's body. Consideration for
11 a preneed contract is funds, DEPOSITS, or the assignment of life insurance
12 benefits.

13 (b) "PRENEED CONTRACT" DOES NOT INCLUDE a contract for
14 merchandise whereby the buyer takes physical possession of the
15 merchandise at the time of entering into the contract. ~~shall not be included~~
16 ~~in the definition of a preneed contract.~~

17 (c) ~~Providing a developed final resting place within a designated~~
18 ~~cemetery approved for the interment, entombment, or inurnment of~~
19 ~~human remains is not subject to the provisions of this article. Providing~~
20 ~~an undeveloped final resting place shall be exempt from the provisions of~~
21 ~~this article only if the cemetery contains unsold developed final resting~~
22 ~~places representing at least twenty-five percent of the outstanding~~
23 ~~paid-in-full contracts for undeveloped final resting places. In the event~~
24 ~~such specific and identifiable final resting place is not developed for use~~
25 ~~at the time of need and full payment has been made, then the contract~~
26 ~~must provide the purchaser with an immediate alternate and comparable~~
27 ~~final resting place at the same cemetery or a full refund of moneys paid.~~

1 **SECTION 2.** In Colorado Revised Statutes, 10-15-103, **amend**
2 (1) (a) and (4) as follows:

3 **10-15-103. License procedure - records - examination of**
4 **records.** (1) (a) ~~No~~ A contract seller shall NOT enter into a preneed
5 contract or accept any funds or other consideration without ~~first securing~~
6 a license from the commissioner. TO BE VALID, AN application for an
7 initial license ~~shall~~ MUST be in writing, signed by the applicant, and duly
8 verified on forms furnished by the commissioner. Each application ~~shall~~
9 MUST be accompanied by payment of five hundred dollars and EITHER:

10 (I) A current balance sheet, income statement, and statement of
11 cash flow to demonstrate THAT THE BUSINESS HAS a net worth of at
12 least ten thousand dollars, ~~as evidenced by the signature of~~ SIGNED BY a
13 certified public accountant ("CPA"), ~~or public accountant ("PA")~~; or, if
14 prepared by the applicant OR PUBLIC ACCOUNTANT, accompanied by a
15 current tax return; or

16 (II) ~~in the alternative, the applicant shall furnish the commissioner~~
17 A surety bond ~~in the amount~~ of AT LEAST ten thousand dollars to honor
18 preneed contract obligations.

19 (4) (a) ~~The contract seller shall make all books and records~~
20 ~~available to the commissioner for examination. The commissioner, or a~~
21 ~~qualified person designated by the commissioner, during ordinary~~
22 ~~business hours, shall examine the books, records, and accounts of the~~
23 ~~contract seller at least once every five years, and more often as necessary~~
24 ~~to ensure compliance with this article, and for that purpose may require~~
25 ~~the attendance of and examine under oath all persons whose testimony the~~
26 ~~commissioner may require.~~ THE COMMISSIONER MAY INVESTIGATE THE
27 BOOKS, RECORDS, AND ACCOUNTS OF A CONTRACT SELLER TO ENSURE

1 THAT TRUST FUNDS, PRENEED CONTRACTS, AND PRENEED INSURANCE
2 POLICIES COMPLY WITH THIS ARTICLE. THE COMMISSIONER, OR A
3 QUALIFIED PERSON DESIGNATED BY THE COMMISSIONER, MAY EXAMINE
4 THE BOOKS, RECORDS, AND ACCOUNTS OF THE CONTRACT SELLER AS
5 OFTEN AS NECESSARY UPON RECEIVING A COMPLAINT OR INDICATION OF
6 NONCOMPLIANCE AND MAY REQUIRE THE ATTENDANCE OF AND EXAMINE
7 UNDER OATH ALL PERSONS WHOSE TESTIMONY THE COMMISSIONER NEEDS
8 FOR THIS PURPOSE.

9 (b) THE COMMISSIONER SHALL MAKE EVERY REASONABLE EFFORT
10 TO UTILIZE EXAMINERS EMPLOYED BY THE DIVISION OF INSURANCE IN
11 PREFERENCE TO DESIGNATING PERSONS WHO ARE NOT EMPLOYEES OF THE
12 DIVISION OF INSURANCE TO PERFORM EXAMINATIONS. IF EVIDENCE OF A
13 VIOLATION OF THIS ARTICLE IS KNOWN, the commissioner may designate
14 a qualified person who is not an employee of the division of insurance to
15 examine ~~any~~ A contract seller, and the CONTRACT SELLER SHALL DIRECTLY
16 PAY THE reasonable expenses and charges of ~~such~~ THE examiner. ~~shall be~~
17 ~~paid directly by the contract seller to any such authorized examiner.~~ The
18 examinee may contest the amount of fees, costs, and expenses charged ~~to~~
19 ~~it by such person~~ THE EXAMINER by filing an objection with the
20 commissioner that sets forth the charges the examinee considers to be
21 unreasonable, together with the basis for ~~such claim of unreasonable~~
22 ~~DISPUTING THE charges.~~ ~~No~~ Amounts that are ~~so~~ disputed ~~will be~~ ARE NOT
23 due to the examiner ~~unless and~~ until the commissioner has reviewed the
24 objection and made a written finding that the disputed charges were
25 reasonable ~~in relation to~~ FOR the examination performed.

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27 **SECTION 3.** In Colorado Revised Statutes, **add** 10-15-103.5 as

1 follows:

2 **10-15-103.5. Scope of article - exemptions.** (1) THIS ARTICLE
3 DOES NOT APPLY TO A PERSON PROVIDING A DEVELOPED FINAL RESTING
4 PLACE WITHIN A DESIGNATED CEMETERY APPROVED FOR THE INTERMENT,
5 ENTOMBMENT, OR INURNMENT OF HUMAN REMAINS.

6 (2) (a) A PERSON PROVIDING AN UNDEVELOPED FINAL RESTING
7 PLACE IS EXEMPT FROM THIS ARTICLE IF THE CEMETERY WHERE THE
8 UNDEVELOPED FINAL RESTING PLACE IS LOCATED CONTAINS UNSOLD
9 DEVELOPED FINAL RESTING PLACES REPRESENTING AT LEAST TWENTY-FIVE
10 PERCENT OF THE OUTSTANDING PAID-IN-FULL CONTRACTS FOR
11 UNDEVELOPED FINAL RESTING PLACES.

12 (b) IF THE SPECIFIC AND IDENTIFIABLE FINAL RESTING PLACE IS NOT
13 DEVELOPED FOR USE AT THE TIME OF NEED AND FULL PAYMENT HAS BEEN
14 MADE, THEN THE CONTRACT MUST PROVIDE THE PURCHASER WITH AN
15 IMMEDIATE ALTERNATE AND COMPARABLE FINAL RESTING PLACE AT THE
16 SAME CEMETERY OR WITH A FULL REFUND OF MONEYS PAID TO QUALIFY
17 FOR THE EXEMPTION UNDER THIS SUBSECTION (2).

18 **SECTION 4.** In Colorado Revised Statutes, **amend** 10-15-104 as
19 follows:

20 **10-15-104. Annual report.** Each contract seller shall file ~~an~~
21 ~~annual~~ WITH THE COMMISSIONER A report, on a calendar year basis, ~~with~~
22 ~~the commissioner~~ on a form as provided by the commissioner. In the
23 ~~annual~~ report, each contract seller ~~who~~ THAT is required to deposit funds
24 with a trustee shall state the name of each trustee ~~with which it has~~
25 WHERE trust funds ARE on deposit and the amount remaining on deposit
26 in the trust fund on December 31. ~~Each contract seller shall report~~
27 ~~annually the amount of all annual preneed aggregate merchandise sales~~

1 ~~and the disposition of such merchandise.~~ Any contract seller ~~which~~ THAT
2 has voluntarily or involuntarily discontinued the sale of preneed contracts
3 ~~shall not be required to~~ NEED NOT obtain a renewal of its license but it
4 shall continue to make annual reports to the commissioner until all ~~such~~
5 THE contracts have been fully performed. ~~by it and shall pay fifty percent~~
6 ~~of the fee structure prescribed by section 10-15-103 (5) (b).~~

7 **SECTION 5.** In Colorado Revised Statutes, 10-15-105, **amend**
8 (9); and add (10) as follows:

9 **10-15-105. Contract requirements - refund - full performance.**

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11 (9) (a) Notwithstanding any other provision of this section to the
12 contrary, upon the request and consent of the contract buyer, a preneed
13 contract, related trust, or assignment of the ownership or the benefits of
14 a life insurance policy may be made irrevocable. However, the contract
15 buyer, or ~~his or her heirs, assigns, or duly authorized representatives~~ THE
16 PERSON WITH THE RIGHT OF FINAL DISPOSITION may, at any time before
17 performance, transfer the funds or the assignment to ~~any other~~ ANOTHER
18 contract seller or general provider as required by applicable laws.

19 (b) THE CONTRACT BUYER OR, IF THE CONTRACT BUYER HAS DIED,
20 THE PERSON AUTHORIZED TO DIRECT THE DISPOSITION OF THE DECEASED
21 CONTRACT BUYER, MAY SELECT ANOTHER FUNERAL PROVIDER TO PROVIDE
22 THE PREARRANGED FUNERAL MERCHANDISE AND SERVICES. IF ANOTHER
23 PROVIDER IS SELECTED, THE ORIGINAL PRENEED SELLER MAY RETAIN UP TO
24 FIFTEEN PERCENT OF THE ORIGINAL PRENEED CONTRACT PURCHASE PRICE.

25 (10) (a) THE CONTRACT SELLER SHALL:

26 (I) DISCLOSE THE NAME AND ADDRESS OF THE TRUSTEE WHO
27 HOLDS THE PRENEED CONTRACT FUNDS; AND

1 (II) NOTIFY THE BUYER WHEN THE PRENEED CONTRACT FUNDS ARE
2 DEPOSITED INTO TRUST.

3 (b) TO COMPLY WITH THIS SUBSECTION (10), THE DISCLOSURE
4 MUST ADVISE THE CONSUMER TO CONTACT THE COMMISSIONER IF
5 CONFIRMATION IS NOT RECEIVED BY A SPECIFIED TIME.

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7 **SECTION 6.** In Colorado Revised Statutes, **add** 10-15-111.5 as
8 follows:

9 **10-15-111.5. Change of ownership - rules.** (1) (a) A SALE OF AN
10 EXISTING PRENEED CONTRACT THAT CHANGES WHO PROVIDES FUNERAL
11 GOODS AND SERVICES IS VOID UNLESS APPROVED BY THE COMMISSIONER
12 UNDER THIS SECTION. TO TRANSFER OWNERSHIP, THE CONTRACT SELLER
13 MUST REPORT A PENDING SALE OF THE PRENEED CONTRACT TO THE
14 COMMISSIONER IN WRITING AT LEAST FOURTEEN DAYS BEFORE THE SALE
15 CLOSING. THE NOTICE MUST INCLUDE:

16 (I) THE NAME AND ADDRESS OF THE CONTRACT SELLER;

17 (II) THE NAME AND ADDRESS OF THE ORGANIZATION PROPOSING
18 TO ACQUIRE OWNERSHIP OF THE PRENEED CONTRACT, REFERRED TO IN THIS
19 SECTION AS THE "TRANSFeree";

20 (III) THE NAME AND ADDRESS OF THE OWNERS, OPERATORS,
21 CORPORATE OFFICERS, PARTNERS, OR MEMBERS OF THE TRANSFeree;

22 (IV) THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTION
23 WHERE PRENEED FUNDS ARE HELD;

24 (V) THE NAME UNDER WHICH PRENEED FUNDS ARE HELD;

25 (VI) A DESCRIPTION OF EACH PRENEED CONTRACT,
26 ARRANGEMENT, OR AGREEMENT INCLUDED IN THE SALE;

27 (VII) AN ACCOUNTING OF THE TRUST FUND AND ALL TRANSFERRED

1 AND OUTSTANDING PRENEED CONTRACTS, INCLUDING THE NUMBER OF
2 PENDING CONTRACTS, THE FULL CONTRACT VALUE, THE CURRENT VALUE
3 FOR EACH CONTRACT, A RECORD OF ALL DISBURSEMENTS FROM PRENEED
4 TRUST ACCOUNTS WITHIN THE LAST TWENTY-FOUR MONTHS, AND THE
5 INFORMATION REQUIRED IN THE ANNUAL REPORT;

6 (VIII) ANY DOCUMENTS OR AMENDMENTS THERETO CONCERNING
7 THE TRUST OR INSURANCE FUNDS, OR ANY OTHER PREPLANNING OR
8 PREFUNDING AGREEMENTS;

9 (IX) A COPY OF THE NOTICE PROPOSED TO BE SENT TO THE
10 CONTRACT BUYERS AFTER THE TRANSFER; AND

11 (X) ANY OTHER INFORMATION THAT IS REASONABLY REQUIRED BY
12 THE COMMISSIONER BY RULE.

13 (b) THE COMMISSIONER MAY, BY RULE OR ORDER, WAIVE OR
14 REDUCE ANY OR ALL OF THE REQUIREMENTS IN SUBPARAGRAPHS (I) TO (X)
15 OF PARAGRAPH (a) OF THIS SUBSECTION (1) AS UNNECESSARY OR
16 INAPPROPRIATE IN THE PUBLIC INTEREST OR FOR THE PROTECTION OF THE
17 CONTRACT BUYERS.

18 (2) (a) THE COMMISSIONER SHALL APPROVE THE CONTRACT
19 SELLER'S APPLICATION FOR CHANGE OF OWNERSHIP BY WRITTEN
20 AUTHORIZATION IF:

21 (I) THE ACCOUNTING IS COMPLETE, ACCURATE, AND SHOWS THE
22 TRUST FUND IS WHOLE AND INTACT;

23 (II) ALL REQUIRED INFORMATION AND DOCUMENTS ARE FILED
24 WITH THE COMMISSIONER; AND

25 (III) THE TRANSFEREE HOLDS A VALID CONTRACT SELLER'S
26 LICENSE, OR IS QUALIFIED UNDER SECTION 10-15-103 FOR A CONTRACT
27 SELLER'S LICENSE, AND IS ABLE TO PERFORM ALL TRANSFERRED PRENEED

1 CONTRACTS IN ACCORDANCE WITH THIS ARTICLE.

2 (b) THE COMMISSIONER SHALL APPROVE OR DISAPPROVE OF THE
3 SALE OF AN EXISTING PRENEED CONTRACT IN WRITING WITHIN SIXTY DAYS
4 AFTER RECEIVING THE REPORT REQUIRED BY PARAGRAPH (a) OF
5 SUBSECTION (1) OF THIS SECTION. IF THE COMMISSIONER FAILS TO
6 DISAPPROVE OF THE SALE IN WRITING WITHIN SIXTY DAYS, THE SALE IS
7 DEEMED APPROVED.

8 (3) (a) THE CONTRACT SELLER, OR PERSON WITH AN INTEREST IN
9 THE CONTRACT, REMAINS LIABLE FOR ALL FUNDS AND TRANSACTIONS
10 UNTIL THE EFFECTIVE DATE OF THE TRANSFER.

11 (b) ANY DISCREPANCIES, MALFEASANCE, OR FRAUD PRIOR TO THE
12 SALE OF THE PRENEED CONTRACT IS THE RESPONSIBILITY OF THE SELLER,
13 FOR WHICH THE SELLER IS LIABLE.

14 (4) WITHIN THIRTY DAYS AFTER APPROVAL BY THE
15 COMMISSIONER, THE TRANSFEREE OF A PRENEED CONTRACT SHALL SEND
16 A NOTICE TO THE LAST-KNOWN ADDRESS OF EACH CONTRACT BUYER
17 INFORMING THE BUYER OF THE CHANGE IN OWNERSHIP AND THE
18 ASSUMPTION OF THE OBLIGATION TO PERFORM THE PRENEED CONTRACT.

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20 **SECTION 7.** In Colorado Revised Statutes, **amend** 10-15-116 as
21 follows:

22 **10-15-116. Surrender of license.** (1) ~~Any contract seller may~~
23 ~~surrender such contract seller's license by delivering it to the~~
24 ~~commissioner with written notice of its surrender, but such surrender~~
25 ~~shall not affect the contract seller's civil or criminal liability for acts~~
26 ~~committed prior thereto.~~ A CONTRACT SELLER MAY SURRENDER A LICENSE
27 BY:

- 1 (a) FILING WRITTEN NOTICE WITH THE COMMISSIONER;
- 2 (b) SUBMITTING A LIST OF ALL OUTSTANDING PRENEED
3 CONTRACTS, INCLUDING THE NAME OF THE CONTRACT BUYER, THE
4 METHOD OF FUNDING FOR THE PRENEED CONTRACT, THE PRENEED
5 CONTRACT PRICE, THE AMOUNT OF FUNDS RECEIVED, AND THE AMOUNT OF
6 FUNDS HELD IN TRUST;
- 7 (c) PAYING ALL OUTSTANDING FINES AND INVOICES DUE TO THE
8 STATE OF COLORADO; AND
- 9 (d) SUBMITTING THE CURRENT CERTIFICATE OF AUTHORITY.
- 10 (2) UPON RECEIPT OF THE NOTICE, THE COMMISSIONER SHALL
11 REVIEW THE PRENEED CONTRACT SELLER'S TRUST FUNDS AND EVIDENCE
12 OF ALL OUTSTANDING PRENEED CONTRACTS.
- 13 (3) UPON DETERMINING THAT THE AVAILABLE ASSETS ARE
14 SUFFICIENT TO MEET ANY REMAINING PRENEED CONTRACT LIABILITIES,
15 THE COMMISSIONER SHALL DEACTIVATE THE LICENSE.
- 16 (4) THE CONTRACT SELLER SHALL CONTINUE TO KEEP THE TRUST
17 FUND INTACT AND IN TRUST AFTER THE LICENSE IS INACTIVE, AND THE
18 TRUSTEE SHALL DISBURSE THE FUNDS IN TRUST IN ACCORDANCE WITH
19 PRENEED CONTRACTS UNTIL THE FUNDS ARE EXHAUSTED.
- 20 (5) THE COMMISSIONER HAS JURISDICTION OVER THE INACTIVE
21 CONTRACT SELLER AND TO REQUIRE THE REPORTS REQUIRED BY SECTION
22 10-15-104 AND INSPECT THE RECORDS REQUIRED BY THIS ARTICLE SO
23 LONG AS THERE ARE FUNDS IN TRUST OR PRENEED CONTRACTS THAT ARE
24 NOT FULFILLED. WHEN THE FUNDS IN TRUST ARE EXHAUSTED OR EACH
25 PRENEED CONTRACT IS FULFILLED, THE COMMISSIONER SHALL FINALLY
26 CANCEL THE LICENSE OF THE CONTRACT SELLER.
- 27 (6) UPON A FINDING THAT AN EMERGENCY EXISTS THAT WILL

1 HARM CONSUMERS, THE COMMISSIONER MAY BY ORDER ADMINISTER
2 PRENEED CONTRACTS AND ACCOUNTS IF THE BUSINESS OF THE CONTRACT
3 SELLER CLOSES DUE TO FINANCIAL INSOLVENCY, CRIMINAL ACTIVITY, OR
4 LICENSE SUSPENSION.

5 **SECTION 8. In Colorado Revised Statutes, 12-54-110, amend**
6 **(2) (a) introductory portion, (2) (a) (IV) (C), and (2) (a) (IV) (D); and add**
7 **(2) (a) (IV) (E) as follows:**

8 **12-54-110. Registration required. (2) (a) Each funeral**
9 **establishment shall register with the director using forms as determined**
10 **by the director. The registration shall include ~~without limitation,~~ the**
11 **following:**

12 **(IV) A list of each of the following services provided at each**
13 **funeral establishment location:**

14 **(C) Transporting human remains to or from the funeral**
15 **establishment or the place of final disposition; and**

16 **(D) Providing funeral goods or services to the public; AND**

17 **(E) SELLING PRENEED CONTRACTS.**

18 **SECTION 9. In Colorado Revised Statutes, 12-54-303, amend**
19 **(2) (a) introductory portion, (2) (a) (IV) (C), and (2) (a) (IV) (D); and add**
20 **(2) (a) (IV) (E) as follows:**

21 **12-54-303. Registration required. (2) (a) Each crematory shall**
22 **register with the director using forms as determined by the director. The**
23 **registration shall include ~~without limitation,~~ the following:**

24 **(IV) A list of each of the following services provided at each**
25 **crematory location:**

26 **(C) Providing funeral goods or services to the public; and**

27 **(D) Cremating human remains; AND**

1 (E) SELLING PRENEED CONTRACTS.

2 **SECTION 10. Appropriation - adjustments to 2013 long bill.**

3 (1) For the implementation of this act, appropriations made in the annual
4 general appropriation act to the department of regulatory agencies for the
5 fiscal year beginning July 1, 2013, are adjusted as follows:

6 (a) The cash funds appropriation from the division of insurance
7 cash fund created in section 10-1-103 (3), Colorado Revised Statutes, for
8 the division of insurance for personal services, is decreased by \$2,400.

9 **SECTION 11. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly (August 7, 2013, if adjournment sine die is on May 8,
13 2013); except that, if a referendum petition is filed pursuant to section 1
14 (3) of article V of the state constitution against this act or an item, section,
15 or part of this act within the period, then the act, item, section, or part will
16 not take effect unless approved by the people at the general election to be
17 held in November 2014 and, in such case, will take effect on the date of
18 the official declaration of the vote thereon by the governor.

19 (2) This act applies to preneed contracts created on or after the
20 applicable effective date of this act.