

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2007-138

State of Arkansas

*As Engrossed: S3/7/07 S3/12/07*

86th General Assembly

**A Bill**

Regular Session, 2007

SENATE BILL 825

By: Senators Wilkins, Crumbly

By: Representatives Blount, E. Brown, Davis, Harrelson, House, W. Lewellen, J. Roebuck, L. Smith

Referred to

Insurance & Commerce - Senate

by the Arkansas Senate

on 03/28/2007

**For An Act To Be Entitled**

AN ACT TO PROVIDE ASSISTANCE WITH FUNERAL COSTS FOR NEEDY ARKANSANS; TO CREATE A BOARD OF DIRECTORS TO STUDY METHODS FOR PROVIDING FUNERAL ASSISTANCE TO NEEDY ARKANSANS; AND FOR OTHER PURPOSES.

**Subtitle**

AN ACT TO PROVIDE ASSISTANCE WITH FUNERAL COSTS FOR NEEDY ARKANSANS AND TO CREATE A BOARD OF DIRECTORS TO STUDY METHODS FOR PROVIDING FUNERAL ASSISTANCE TO NEEDY ARKANSANS.

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

SECTION 1. Arkansas Code Title 17, Chapter 29 is amended to add an additional subchapter to read as follows:

17-29-801. Title.

This subchapter shall be known and may be cited as the "Final Act Program Law".

1 17-29-802. Findings.

2 The General Assembly finds that:

3 (1) Funeral costs have increased rapidly during the past decade;

4 (2) The state's neediest citizens are most affected by rising  
5 funeral costs;

6 (3) Unexpected funeral costs coupled with inability to pay those  
7 costs needlessly exacerbates the trauma of losing a loved one;

8 (4) Even those needy people with funeral insurance policies find  
9 that those policies have fallen behind the pace of rising costs;

10 (5) States such as Illinois have developed programs to assist  
11 their neediest citizens with the costs of funerals; and

12 (6) A state-supported funeral benefit fund for the needy should  
13 be implemented in Arkansas.

14  
15 17-29-803. Definitions.

16 As used in this subchapter:

17 (1) "Development corporation" means a community development  
18 corporation that is a tax-exempt organization under § 501(a) of the Internal  
19 Revenue Code of 1986, as in effect on January 1, 2007;

20 (2) "Faith-based institution" means a religious organization,  
21 such as a church or other church-sponsored entity;

22 (3) "Local agent" means a funeral establishment, community  
23 development corporation, and a nonprofit organization that participates in  
24 enrolling individuals in the Final Act Program;

25 (4) "Local enrollment site" means a place designated by the  
26 Final Act Program Board of Directors for the purpose of enrolling members of  
27 the Final Act Program;

28 (5) "Nonprofit organization" means a nonprofit organization that  
29 is a tax-exempt organization under § 501(a) of the Internal Revenue Code of  
30 1986, or other person with a similar eligibility under the two (2) acts  
31 specified in subdivision (c)(1)(B) of this section;

32 (6) "Regional district" means one (1) of the four (4)  
33 congressional districts of the state;

34 (7) "Regional processing center" means a place within a regional  
35 district that is designated by the board to receive reports from local  
36 agents; and

1 (8) "State certification office" means the state agency that is  
2 designated by the board to receive reports from the regional centers.

3  
4 17-29-804. Final Act Program Board of Directors – Creation.

5 (a) The Final Act Program Board of Directors is created.

6 (b) The board shall consist of nine (9) voting members to be appointed  
7 as follows:

8 (1) One (1) at-large member appointed by the Governor;

9 (2) Two (2) members who are residents of Regional District I  
10 appointed by the Governor;

11 (3) Two (2) members who are residents of Regional District II  
12 appointed by the Speaker of the House of Representatives;

13 (4) One (1) member who is a resident of Regional District III  
14 appointed by the Speaker of the House of Representatives;

15 (4) One (1) member who is a resident of Regional District III  
16 appointed by the President Pro-Tempore of the Senate; and

17 (6) Two (2) members who are residents of Regional District IV  
18 appointed by the President Pro-Tempore of the Senate.

19 (c) The Governor shall select a chair from its membership.

20 (d) The board shall meet at least one (1) time each month.

21 (e)(1) A majority of the membership of the board shall constitute a  
22 quorum.

23 (2) A majority vote of those members present shall be required  
24 for any action of the board.

25 (f) Vacancies on the board due to death, resignation, removal, or  
26 other causes shall be filled in the same manner as the original appointment  
27 for the unexpired portion of the term.

28 (g) Each member shall receive expense reimbursement and stipends in  
29 accordance with § 25-16-904.

30  
31 17-29-805. Final Act Program Board of Directors – Powers and duties.

32 The Final Act Program Board of Directors shall:

33 (1) Initiate in Crittenden, Cross, St. Francis, Lee,  
34 Mississippi, Monroe, and Phillips counties, a demonstration Final Act Program  
35 of interview surveys to determine:

36 (A) The number of persons eligible for the Final Act

1 Program in the seven (7) demonstration counties;

2 (B) The number of eligible persons in the seven (7)  
3 demonstration counties who wish to participate in the final act program; and

4 (C) The projected cost of funeral services for the  
5 eligible persons in the seven (7) demonstration counties who wish to  
6 participate in the Final Act Program;

7 (2) Assist the Department of Health and Human Services in  
8 linking the Final Act Program to existing programs;

9 (3) Conduct a continuing study to assess the need for Final Act  
10 Program services; and

11 (4)(A) Prepare quarterly reports on data collected by the board  
12 to be presented to the Governor and the cochairs of the Legislative Council.

13 (B) The final quarterly report shall be presented on or  
14 before October 1, 2009, and at that time the board shall cease to exist.

15  
16 17-29-806. Eligibility for Final Act Program insurance.

17 Eligibility for the Final Act Program insurance requires that the  
18 person:

19 (1) Complete an application developed and supplied by the Final  
20 Act Program Board;

21 (2) Be a resident of Arkansas; and

22 (3)(A) Pay an enrollment fee of two dollars (\$2.00) per person  
23 per month.

24 (B) For a person that has an income below the federal  
25 poverty level, as it exists on January 1, 2007, the Department of Health and  
26 Human Services may pay up to fifty percent (50%) of the fee required under  
27 subdivision (3)(A) of this section.

28  
29 17-29-807. Final Act Program Benefit Fund.

30 (a) There is established on the books of the Treasurer of State,  
31 Audi tor of State, and Chief Fiscal Officer of the State a fund to be known as  
32 the "Final Act Benefit Fund".

33 (b) The actual establishment and operation of the Final Act Program  
34 Benefit Fund is contingent upon the recommendations in the final report from  
35 the Final Act Program Board of Directors.

36 (c) The fund shall consist of membership fees required under § 17-29-

1 805(3).

2 (d) The two-dollar membership fee required under § 17-29-806(3) shall  
3 be used only for the following purposes:

4 (1) One dollar (\$1.00) of each membership fee payment for co-  
5 payments authorized under § 17-29-805(3);

6 (2) Fifty cents (50¢) of each membership fee payment to pay for  
7 local enrollment sites;

8 (3) Twenty-five cents (25¢) of each membership fee payment to  
9 pay local agents; and

10 (4) Twenty-five cents (25¢) of each membership fee payment to  
11 pay the state certification office.

12  
13 17-29-808. Local agents.

14 (a) A local agent may receive a monthly stipend of twenty-five cents  
15 (25¢) for each individual enrolled by the local agent in the Final Act  
16 Program.

17 (b) A local agent may receive a monthly stipend under subsection (a)  
18 of this section for as long as an enrolled individual lives.

19 (c) Once a claim is made under the Final Act Program, the agent shall  
20 cease to receive the monthly stipend relating to the deceased individual.

21  
22 17-29-809. Local enrollment sites – Responsibilities.

23 A local enrollment site shall:

24 (1) Issue Final Act Program application forms and receive  
25 completed applications;

26 (2) Receive program membership fees; and

27 (3) Process program applications and forward the applications to  
28 regional processing centers.

29  
30 17-29-810. Regional processing centers – Responsibilities.

31 A regional processing center shall:

32 (1) Receive and process completed Final Act Program  
33 applications;

34 (2) Receive program membership fees; and

35 (3) Forward completed program applications and membership fees  
36 to the state certification office.

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2 17-29-811. State certification office.

3 The state certification office shall certify to the Insurance  
4 Commissioner the completion of a Final Act Program application and the  
5 receipt of the appropriate membership fee for each program membership.

6  
7 17-29-812. Insurance Commissioner – Powers and duties.

8 The Insurance Commissioner shall:

9 (1) Issue death benefit cards and proof of insurance  
10 contribution to each individual who is certified as a member of the Final Act  
11 Program under § 17-29-809;

12 (2) Set premiums for insurance policies to be issued under this  
13 subchapter; and

14 (3) Promulgate rules for insurance policies to be created under  
15 this subchapter.

16  
17 17-29-813. Department of Health and Human Services – Assistance.

18 The Department of Health and Human Services shall assist the Final Act  
19 Program Board of Directors in integrating the Final Act Program with related  
20 programs operated by the department.

21  
22 17-29-814. Service providers.

23 Services under this subchapter may be provided by:

24 (1) Funeral Homes;

25 (2) Faith-based institutions;

26 (3) Community development corporations; and

27 (4) Nonprofit organizations.

28  
29 17-29-815. Funding contingency.

30 (a) Implementation of all provisions of this subchapter shall be  
31 contingent upon a determination by the Chief Fiscal Officer of the State that  
32 adequate resources, including without limitation, funding, appropriations,  
33 and personnel positions, are available in all affected state agencies.

34 (b) In addition, no provision in this subchapter that relates to the  
35 duties under this subchapter of the Insurance Commissioner or the Insurance  
36 Department shall go into effect until the Insurance Commissioner certifies in

1 writing that the fund, the proposed plan and method of operation of the  
2 program developed by the Final Act Program Board of Directors, and the  
3 proposed manner in which insurers may participate in the program is  
4 financially sound, feasible, and capable of being implemented under state  
5 law.

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/s/ Wilkins

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