



House of Representatives

General Assembly

File No. 637

February Session, 2026

Substitute House Bill No. 5381

House of Representatives, April 15, 2026

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ESTABLISHING AN ACCOUNT TO COMPENSATE VICTIMS OF UNLAWFUL FUNERAL SERVICE PRACTICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2026*) (a) There is established a
2 separate, nonlapsing account to be known as the "funeral service
3 compensation account". The account shall contain (1) any amounts
4 appropriated or otherwise made available by the state for the purposes
5 of this section, (2) any moneys required by law to be deposited in the
6 account, and (3) gifts, grants, donations or bequests made for the
7 purposes of this section. Investment earnings credited to the assets of
8 the account shall become part of the assets of the account. The State
9 Treasurer shall administer the account.

10 (b) All moneys deposited in the account shall be used by the
11 Department of Consumer Protection for the purposes of this section.
12 The Commissioner of Consumer Protection may deduct and retain from
13 the moneys in the account an amount equal to the costs incurred by the
14 department in administering the provisions of this section, except said
15 amount shall not exceed two per cent of the balance in the account in

16 any fiscal year.

17 (c) The Commissioner of Consumer Protection shall use the funeral
18 service compensation account to make grants to eligible persons who
19 were victims of fraudulent or otherwise unlawful practices involving
20 moneys paid for funeral services. The department shall not make any
21 grant that exceeds the balance available for grants in the account.

22 (d) Not later than January 1, 2027, the commissioner shall establish
23 requirements for obtaining a grant under this section and a process for
24 issuing grants to eligible persons or their immediate family members.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	New section

APP Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Consumer Protection, Dept.	GF - Cost	76,750	74,750
State Comptroller - Fringe Benefits ¹	GF - Cost	31,260	31,260
Consumer Protection, Dept.	Funeral Service Compensation Account - Potential Cost	See Below	See Below
Consumer Protection, Dept.	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Consumer Protection (DCP) to oversee the funeral service compensation account (FSCA) and make grants to eligible applicants resulting in a cost to the state. To meet the requirements of the bill, DCP will have to hire a paralegal specialist for a salary and other expenses cost of \$76,750 in FY 27 and \$74,750 in FY 28, along with associated fringe benefit costs of \$31,260 in FY 27 and FY 28. The new employee is needed to review applications, make payments from the account, and answer applicant questions.

The bill also specifies that DCP may deduct and retain up to two percent of the balance of the FSCA for the costs incurred in managing

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.82% of payroll in FY 27.

the account resulting in a potential cost to the FSCA and a corresponding potential revenue gain to DCP.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to employee wage increases and inflation.

OFA Bill Analysis

HB 5381

AN ACT ESTABLISHING AN ACCOUNT TO COMPENSATE VICTIMS OF UNLAWFUL FUNERAL SERVICE PRACTICES.

SUMMARY:

The bill establishes a separate, non-lapsing account, called the "Funeral Service Compensation Account." The account must contain (1) any amounts appropriated or made available by the state, (2) any monies required to be deposited in the account, and (3) gifts, grants, donations, or bequests. Investment earnings shall become part of the assets of the account and the State Treasurer is required to administer the account.

Under the bill the Department of Consumer Protection (DCP) must use the funds in the account to make grants to eligible persons who were victims of fraudulent or unlawful practices when purchasing funeral services. DCP must establish the requirements for obtaining and issuing a grant and DCP cannot provide a grant that exceeds the balance of funds in the account.

Lastly, the bill allows DCP to deduct and retain up to two percent of the balance in the account for costs incurred by the department for administering the account.

EFFECTIVE DATE: July 1, 2026

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 49 Nay 2 (04/01/2026)