

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 208

Short Title: Undeveloped Cemetery Construction.

(Public)

Sponsors: Senators Clodfelter; and Kinnaird.

Referred to: Judiciary I.

February 22, 2001

A BILL TO BE ENTITLED

1 AN ACT LIMITING THE TIME FOR THE START AND COMPLETION OF AN
2 UNDEVELOPED AREA IN A CEMETERY IN WHICH SALES HAVE BEEN
3 MADE FOR GRAVE SPACES.
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 65-48 is amended by adding a new subdivision to read:

7 **"§ 65-48. Definitions.**

8 As used in this Article, unless otherwise stated or unless the context or subject
9 matter clearly indicates otherwise:

10 ...

11 (14a) "Predeveloped garden" means an undeveloped area in a cemetery
12 intended to be developed and used for the interment in the ground of
13 the remains of deceased persons."

14 **SECTION 2.** Article 9 of Chapter 65 of the General Statutes is amended by
15 adding a new section to read:

16 **"§ 65-70.1. Construction of predeveloped gardens.**

17 (a) Time Limit for Construction. -- A cemetery company shall be required to
18 start construction of a predeveloped garden in which sales, contracts for sales,
19 reservations for sales, or agreements for sales are being made for the development of an
20 undeveloped area of the cemetery within 48 months after the date of the first sale. The
21 construction of the predeveloped garden shall be completed within five years after the
22 date of the first sale made. The Commission, for good reasons shown, may grant
23 extensions for completion not to exceed one year.

24 (b) Trust Account. -- A cemetery company that sells space in a predeveloped
25 garden prior to its construction shall deposit the funds for the project in a trust account.
26 The trust account shall be administered and operated in the same manner as the
27 merchandise trust account provided for in G.S. 65-66 and shall be exclusive of the
28 merchandise trust account or other trust accounts or funds that may be required by law.

1 The personal representative of any purchaser of the space who dies before completion
2 of construction shall be entitled to a refund of all monies paid for the space, including
3 any income earned thereon.

4 (c) Account Withdrawals. -- The cemetery company shall be entitled to withdraw
5 the funds from the trust account only after the Commission has become satisfied that
6 construction has been completed. During construction of the predeveloped garden, the
7 Commission may, in its discretion, authorize a specific percentage of the funds to be
8 withdrawn when it appears that at least an equivalent percentage of construction has
9 been completed.

10 (d) Compliance. -- If a predeveloped garden is not completed within the time
11 limits set out in this section, the corporate trustee, if any, shall contract for and cause the
12 project to be completed and paid from the trust account funds deposited to the project's
13 account paying any balance, less costs and expenses, to the cemetery company. If there
14 is no corporate trustee, the Commission shall appoint a committee to serve as trustee to
15 contract for the completion of the project and ensure the payment of costs as provided in
16 this section."

17 **SECTION 3.** This act is effective when it becomes law.