

Clearinghouse Rule 12-021

STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES
CEMETERY BOARD

IN THE MATTER OF RULE-MAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : WISCONSIN CEMETERY BOARD
WISCONSIN CEMETERY BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 12-)

An order of the Cemetery Board to rename and renumber chs. RL 52, 53, 54, relating to warehouses storing cemetery pre-need merchandise, changing trustees of care or pre-need trust funds, and alternative care funds investments.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

Sections 157.11 (9g), 157.19 , 440.92 (7), Stats.

Statutory authority:

Sections 157.19 (2) (d), 227.11 (2) (a), 440.905 (2), 440.92 (7), Stats.

Explanation of agency authority:

2007 Wisconsin Act 174 transferred authority for regulation of warehouses that store cemetery merchandise sold under a preneed sales contract, changes of trustees for care and preneed trust funds, and alternative care fund investments from the department of safety and professional services to the cemetery board. Thus, ch. 157 and s. 440.905, Stats., grant sole authority for implementation of the laws related to these regulatory areas to the cemetery board.

Plain language analysis:

These proposed rules implement the statutory changes that resulted from the passage of 2007 Wis. Act 174. The rules transfer to the cemetery board the authority to regulate: warehouses that store cemetery merchandise sold under a preneed sales contract; changes of trustees for care and preneed trust funds; and alternative care fund investments from the department. The administrative code provisions that Act 174 affected are currently located in chs. SPS 52-54. To reflect the transfer of authority effected by Act 174, the chapter and rule titles must be changed from “SPS” to “CB,” and the chapter and rule numbers must be changed from those using 52-54 to those using 3-5.

The substance of the rules in chs. SPS 52-54, formerly RL 52-54, will not change by this proposal. These proposed rules amend those chapters only to reflect the transfer of regulatory authority, the 2011 department name-change, and other minor information updates such as addresses referenced, etc.

Proposed ch. CB 4 adds some provisions that are closely related to those in existing ch. SPS 53. First, new s. CB 4.015 defines “financial institution,” as used in the chapter, to have the meaning set forth in s. 705.01 (3), Stats. That definition appears in s. 157.19 (1), Stats., and applies to all of s. 157.19, which is the enabling statute for the rules set forth in former ch. RL 53 and proposed ch. CB 4, Wis. Admin. Code. The cemetery board adds this definition to the existing rules for increased clarity regarding what constitutes a financial institution within the meaning of that chapter.

Existing rules require an affidavit from only the transferee financial institution in a change of trustee for care funds or preneed trust funds transactions. Sections SPS 53.03 (1) (d), (2) (d). The proposed rules would also require an affidavit from the transferor financial institution as well. Sections CB 4.03 (1) (dm), (2) (dm). The transferor’s affidavit must confirm that all deposits into the funds to be transferred were timely, and that there have been no withdrawals of the principal. The transferor’s affidavit will assure that the requested change of trustee is not for purposes of hiding impropriety in the transferor institution’s management of the funds. The cemetery board is authorized to impose the requirement for the transferor’s affidavit under ss. 157.19 (d) and 440.905 (2). The assurance provided from the transferor’s affidavit will significantly enhance the board’s ability to oversee change-of-trustee transactions and the department’s enforcement of the board’s rules, both of which will result in better protection of the funds involved.

Finally, given the cemetery board’s quarterly meeting schedule, a full-board determination of a change-of-trustee request within 60 days of its receipt, as required by current s. SPS 53.02 (4), may not be feasible. To facilitate timely determinations of such requests, proposed rule s. CB 4.02 (4) provides for determination by the board’s designee if necessary.

Summary of, and comparison with, existing or proposed federal regulation:

There are no existing or proposed federal regulations related to the regulatory areas of the proposed rules.

Comparison with rules in adjacent states:

Illinois:

The Illinois statutes, called the Illinois Compiled Statutes (ILCS), charge the state’s Department of Financial and Professional Regulation (DFPR) with governing cemeteries pursuant to the Cemetery Oversight Act. The DFPR’s powers include the authority to promulgate rules for the administration and enforcement of that Act. Section 225 ILCS 411/5-25. Licensed cemetery authorities may accept any gift or payment for the care of the cemetery or a cemetery lot to

establish a trust fund for the specified purpose. Section 225 ILCS 411/15-5 (a). The cemetery authority acts as trustee of amounts received until depositing them with a corporate fiduciary. Section 225 ILCS 411/15-5 (b). Under s. 225 ILCS 620/1-5.05, “corporate fiduciary” means a trust company, such as a bank or other financial institution, or an individual or entity that has obtained a certificate of authority under the Corporate Fiduciary Act to exercise trust powers.
<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=3173&ChapterID=24>

The Illinois State Comptroller regulates pre-need contract salespersons, pre-need contracts, and cemetery care or pre-need trust funds under both the Illinois Funeral or Burial Funds Act, ch. 225 ILCS 45, and the Illinois Pre-Need Cemetery Sales Act, ch. 815 ILCS 390. A salesperson may change the trustee of pre-need trust funds upon no less than 30 days’ prior notice to the Comptroller. Section 225 ILCS 45/2 (g). When a seller changes trustees, the trustee must provide written notice of the change to the Comptroller at least 28 days prior to the effective date of the change. Sections 225 ILCS 45/2 (g), 815 ILCS 390/16 (b).
<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=1302&ChapterID=24>
<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2343&ChapterID=67>

Neither the Illinois Comptroller’s administrative rules, nor those of the DPFR specifically address changes in trustees of cemetery care or pre-need trust funds. Title 38, Part 610, Ill. Admin. Code.

<http://www.ilga.gov/commission/jcar/admincode/038/03800600sections.html>,
<http://www.ilga.gov/commission/jcar/admincode/038/03800610sections.html>,
<http://www.ilga.gov/commission/jcar/admincode/068/068parts.html>

Iowa:

In Iowa, the commissioner of insurance regulates cemeteries and funeral merchandise and services under the Cemetery and Funeral Merchandise and Funeral Services Act and the Iowa Cemetery Act. Sections 523A.801, 523I.201, Iowa Code. The commissioner of insurance is an officer in the insurance division of Iowa’s department of commerce. Section 505.1, Iowa Code. A seller of cemetery or funeral merchandise, or funeral services must deposit any moneys paid by the purchaser into a trust fund that the seller has previously established for such purposes. Section 523A.201.

Cemeteries may sell interment rights, merchandise related to the final disposition of human remains, or memorial or special care, and may or may not place moneys received from such sales in a trust fund. Section 523I.102 4., 20., 28., 47. Perpetual care cemeteries must maintain an irrevocable trust fund for the general care of a cemetery. The care fund trust must provide for the appointment of initial and successor trustees. Sections 523I.806 1., 523I.809 1., Iowa Code. A trustee for care funds may, but need not, be a financial institution. The cemetery may transfer care funds from one financial institution to another. Section 523I.810 1. a., 3., Iowa Code. The care fund’s trustee may hold money or property designated for the special care of a particular interment space, or cemetery section or building as specified by the purchaser. Section 523I.804 4., Iowa Code.

<http://search.legis.state.ia.us/nxt/gateway.dll?f=templates&fn=default.htm>,
<http://search.legis.state.ia.us/nxt/gateway.dll?f=templates&fn=default.htm>

Iowa's administrative rules regulating cemeteries are located at ch. 191—18, Iowa Admin. Code. Section 191-18.1. (2) of the code reiterates the provisions regarding a care funds trust stated in ss. 523I.806-.810, Iowa Code. Rules associated with the Cemetery and Funeral Merchandise and Funeral Services Act found at chs. 191—101-102, Iowa Administrative Code.

<http://search.legis.state.ia.us/nxt/gateway.dll/ar/iac?f=templates&fn=default.htm>,

<http://search.legis.state.ia.us/nxt/gateway.dll?f=templates&fn=default.htm>

Michigan:

In Michigan, ownership and operation of cemeteries is regulated by the Cemetery Commissioner, an officer in the Department of Licensing and Regulatory Affairs (LARA), formerly the Department of Labor and Economic Growth. Michigan Compiled Laws (MCL) 456.522, s. 2.

(k). Cemeteries are required to establish and maintain an irrevocable endowment and perpetual care trust fund with one or more financial institutions that will serve as trustee for the portion of the fund allocated to them. A cemetery may remove and replace a trustee at any time, subject to the consent of the commissioner and to the trustee agreement. MCL 456.536 s. 16 (4).

<http://legislature.mi.gov/doc.aspx?mcl-Act-251-of-1968>

LARA administers the Prepaid Funeral and Cemetery Sales Act, under which it registers sellers and providers of funeral or cemetery services or merchandise sold pursuant to prepaid contracts, and regulates such contracts. MCL 328.213 s. 3. (o), 328.215 s. 5. (d), 328.216. All funds received pursuant to prepaid contracts must be held in escrow by an escrow agent for the benefit of the contract beneficiary. MCL 328.222 s. 12. (1). The statutes specify with particularity, based on whether the contract price is guaranteed or non-guaranteed, who or what entity may serve as the escrow agent: if non-guaranteed, either the contract seller or provider, or another of the seller's or provider's choice; if either guaranteed or non-guaranteed, a depository, a trust company, a non-profit corporation or association of at least 250 funeral establishments, or a non-profit of at least 30 cemeteries; if guaranteed and includes funeral services, selected by the provider of those services; if guaranteed and no funeral services, selected by any provider that is a party to the contract. Contract sellers and providers may not serve as the escrow agent for guaranteed price contracts. MCL 328.222 s. 12. (4) (b), (5). Providers and escrow agents may change the escrow depository at any time and with or without cause, without the approval of any other party. The contract buyer must be notified of a change of depository or escrow agent. MCL 328.224 s.14. (3).

<http://legislature.mi.gov/doc.aspx?mcl-Act-255-of-1986>

The cemetery commissioner's administrative rules are codified at R 456.101-.196, Mich. Admin. Code. These rules contain provisions related to endowed care funds, but they do not discuss changes of trustees for such funds.

http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=45600101&Dpt=LG&RngHigh=

The administrative rules corresponding to the Michigan Prepaid Funeral and Cemetery Sales Act are found at R 339.11-.47, Mich. Admin. Code. Although various of the rules therein reference

the escrow, deposit, and investment of moneys received for cemetery merchandise, none directly address changes in escrow agents.

http://www.state.mi.us/orr/emi/admincode.asp?AdminCode=Single&Admin_Num=33900011&Dpt=&RngHigh=33923405

Minnesota:

Cemeteries in Minnesota may be either public or private. The ownership and operation of a public cemetery is governed by either a corporation or association formed for such purposes, and must provide for the appointment of at least three board members or trustees. Section 306.02, Minn. Stats. A cemetery association may establish a permanent fund for the general care, maintenance, and improvement of the cemetery. Section 306.31, Minn. Stats. The association must either appoint a board of trustees for the fund, consisting of not less than three and not greater than five resident landowners, or designate a trust company within the state. Section 306.32, Minn. Stats. Trustees are appointed for life except if a trust company, which may be replaced by a board of trustees or another trust company, as the association trustees see fit. Section 306.32, Minn. Stats.

https://www.revisor.mn.gov/statutes/?id=306&view=chapter&year=2011&keyword_type=all&keyword=cemetery&format=pdf,

The total of all moneys paid pursuant to a contract for the preneed purchase of burial goods, or funeral or burial services must be held in trust with a Minnesota financial institution until performance of the terms of the contract upon the death of the trust's beneficiary. Unless otherwise specified by the purchaser, the trust must be revocable in its entirety. 149A.97, subd. 3., Minn. Stats. Such trusts must be carried in a separate account with the depositor funeral provider and the purchaser named as trustees. The purchaser may at any time prior to the death of the beneficiary designate another trustee. 149A.97, subd. 3a. (8), subd. 4. Minn. Stats.

https://www.revisor.mn.gov/statutes/?id=149A&view=chapter&year=2011&keyword_type=all&keyword=cemetery&format=pdf

Minnesota has no administrative rules related to cemetery care other than those regulating the construction of new care facilities, 4660.1200, Minn. Admin. Rules; charitable, religious, or educational organizations, including their tax exempt status, 8130.6200, Minn. Admin. Rules; and caskets, burial vaults, and urns for cremains used for human burial, 8130.6300, Minn. Admin. Rules. No rules address trust funds or changes of trustees thereof.

https://www.revisor.mn.gov/rules/?id=4660.1200&keyword_type=all&keyword=cemetery+care,
https://www.revisor.mn.gov/rules/?id=8130.6200&keyword_type=all&keyword=cemetery,
https://www.revisor.mn.gov/rules/?id=8130.6300&keyword_type=all&keyword=cemetery

A search of the Minnesota Administrative Rules for regulation of preneed or prepaid merchandise or services produced no results. 8130.6200

https://www.revisor.mn.gov/search/doc_result.php?search=all&keyword_type=all&keyword=pre-need+preneed+prepaid+&stat_year1=2011&stat_year2=2011&stat_chapter=&laws_session1=87&laws_session2=87&laws_chapter=&laws_display=art&rule=1&rule_year1=2010&rule_year2=

Summary of factual data and analytical methodologies:

The comparison information with the rules in adjacent states was obtained by thorough review of their laws and rules, and from direct contact with those states by e-mail or telephone.

The proposed transfer of authority for regulation of warehouses that store cemetery pre-need merchandise, changing trustees of care or pre-need trust funds, and alternative care funds investments was prompted by legislative action that became effective on April 9, 2008. The purpose of these rules is to bring the existing rules into conformity with the enabling statutes, and thus, neither collection of factual data, nor the use of analytical methodologies were necessary.

Implementation of requirements for ensuring the accuracy, integrity, objectivity, and consistency of data used in rule preparation and related analysis:

No use of factual data or analytical methodologies was required in the preparation of this proposal or its related analysis.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact report:

Pursuant to s. IV, 3. a., EO # 50, the rules proposed herein were posted on both the state's and the department's administrative rules websites for 14 days to solicit comments regarding the rule's potential economic impact on businesses, business sectors, professional associations, local government units, or potentially interested parties. In addition, e-mail solicitations were sent to several potentially interested parties. No responses to any of the solicitations were received.

The department concludes that the proposed rules will have no economic impact on small businesses. This proposal tracks legislation that became effective on April 9, 2008, approximately four years ago. The statutory change has thus been in place long enough to produce the resulting economic or fiscal impact experienced by private businesses or public entities, if any, for such impact to have been fully absorbed by those entities as a part of routine operations.

Anticipated costs incurred by private sector:

The department finds that these proposed rules will have no significant fiscal effect on the private sector.

Fiscal estimate:

Implementation of these rules will cause a minor increase in the department's credentialing division costs, which the department is able to absorb.

Effect on small business:

These proposed rules will not have a significant economic impact on a substantial number of small businesses, as defined in s. 227.114 (1), Stats. The department’s Regulatory Review Coordinator may be contacted by email at Greg.Gasper@Wisconsin.gov, or by phone at (608) 266-2112.

Agency contact person:

Kris Anderson, Paralegal, Department of Safety and Professional Services, Division of Board Services, 1400 E. Washington Ave., Rm. 117, P.O. Box 8935, Madison, Wisconsin 53708; telephone (608) 261-2385; email at Kristine1.Anderson@Wisconsin.gov.

Place where comments may be submitted and deadline for submission:

Comments may be submitted to Kris Anderson, Paralegal, Department of Safety and Professional Services, 1400 E. Washington Ave., Rm. 117, P.O. Box 8935, Madison, Wisconsin 53708-8935, or by email to Kristine1.Anderson@Wisconsin.gov. Comments must be received on or before the date and time of the public hearing for inclusion in the record of rule-making proceedings. A public hearing on this proposal will be held at the department on March 13, 2012, in Rm. 121A, at 9:45 a.m.

TEXT OF RULE

SECTION 1. Chapter RL 52 is renumbered Chapter CB 3.

SECTION 2. RL 52.01, as renumbered, is amended to read:

~~RL 52.01~~ **CB 3.01 Authority.** This chapter is adopted pursuant to ss. 227.11, 440.905, and 440.92 (7), Stats.

SECTION 3. RL 52.02 (1) (Note), (3), 52.03, 52.04, 52.05, 52.06 (1) (intro.), (b), (2), (Note), as renumbered, are amended to read:

Note: Application forms may be obtained upon request from the Department of ~~Regulation and Licensing~~ Safety and Professional Services, Bureau of Direct Licensing and Real Estate ~~Division of Professional Credential Processing~~, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708.

(3) DETERMINATION OF APPROVAL. The ~~department~~ board shall provide the applicant with its determination upon the application within 60 days after receipt of the completed application and required documents.

RL 52.03CB 3.03 Approval of warehouses located in this state. The departmentboard shall approve a warehouse located in this state only if the person who operates the warehouse is licensed as a public warehouse keeper by the department of agriculture, trade and consumer protection under ch. 99, Stats. Proof of licensure as a public warehouse keeper shall be made through the submission of a copy of the current license with the application.

RL 52.04CB 3.04 Approval of warehouses located outside this state. The departmentboard shall approve a warehouse located outside this state upon the following conditions:

(1) Submission of proof that the warehouse is authorized to store cemetery merchandise within its state of location. Proof of such authorization may be made through the submission of a copy of the current license, permit, certificate, registration or other document issued by the agency regulating warehouses in that state, or through the submission of such other information or statements acceptable to the departmentboard.

(2) (a) The filing with the departmentboard of a bond furnished by a surety company authorized to do business in this state in an amount that is sufficient to guarantee the delivery of cemetery merchandise to purchasers under preneed sales contracts.

(b) The bond shall be payable to the department of ~~regulation and licensingsafety and professional services~~ for the benefit of purchasers of stored property or their assignees.

(c) The amount of the bond shall be in an amount approved by the departmentboard, and in no case less than 100% of the wholesale value of the cemetery merchandise that is stored and to be transported to this state as of the date of the application.

(d) The bond shall remain in effect throughout the time that the warehouse remains approved by the departmentboard and the warehouse keeper shall submit a copy of each bond renewal certificate to the departmentboard.

RL 52.05CB 3.05 Term of approval. An approval of a warehouse by the departmentboard entitles the warehouse to store cemetery merchandise sold under a preneed sales contract for a period of one year following the issuance of the approval.

RL 52.06CB 3.06 Cancellation of approval. (1) Any approval previously granted by the departmentboard may be cancelled upon the occurrence of any of the following:

(b) The failure of a warehouse located outside this state to maintain the bond required under this chapter. When the departmentboard determines that a bond is insufficient, or if the bond lapses or is canceled, the warehouse shall correct the defect within 30 days after written notice from the departmentboard and, if the defect is not corrected within that period, the approval of the warehouse automatically rescinds at the expiration of the 30 day period.

(2) The owner or operator of a warehouse shall notify the departmentboard within 30 days after the occurrence of any of the events described in sub. (1).

Note: A current list of the names and addresses of all approved warehouses may be obtained from the department's ~~Bureau of Direct Licensing and Real Estate~~Division of Professional Credential Processing, 1400 E. Washington Ave., P.O. Box 8935, Madison, Wisconsin 53708.

SECTION 4. Chapter RL 53 is renamed and renumbered CB 4.

SECTION 5. Chapter RL 53 (table of contents) as renumbered, is amended to read:

~~RL 53.01~~ CB 4.01 Authority.

CB 4.015 Definition.

~~RL 53.02~~ CB 4.02 Change of trustee; applications.

~~RL 53.03~~ CB 4.03 Standards for approval.

~~RL 53.04~~ CB 4.04 Compliance with terms of approval.

~~RL 53.05~~ CB 4.05 Verification of deposit.

SECTION 6. RL 53.01, as renumbered, is amended to read:

~~RL 53.01~~CB 4.01 Authority. This chapter is adopted pursuant to ss. 157.11, 157.19, 227.11, and 440.905, Stats.

SECTION 7. CB 4.015 is created to read:

CB 4.015 Definition. In this chapter, “financial institution” has the meaning set forth in s. 705.01 (3), Stats.

SECTION 8. RL 53.02 (1), (2), (2) (Note), (3), (4), 53.03 (1) (intro.), as renumbered, are amended to read:

~~RL 53.02~~CB 4.02 Change of trustee; applications. (1) APPROVAL REQUIRED. A cemetery authority or preneed seller who deposits care funds in a financial institution pursuant to s.157.19 (2) (a), Stats., shall obtain written approval of the ~~department~~board before changing the trustee of a care fund or preneed trust fund.

(2) FORMS. Requests for approval of change of trustee shall be made on forms provided by the department and shall be delivered through the mails or otherwise to the ~~department's~~office~~board~~.

Note: Forms may be obtained upon request from the Department of ~~Regulation and Licensing~~Safety and Professional Services, Bureau of Direct Licensing and Real EstateDivision of Professional Credential Processing, 1400 East Washington Avenue, Madison, Wisconsin 53708.

(3) COMPLETE ANSWERS; CERTIFICATION. No request for approval shall be processed until all questions appearing on the application are fully completed, the applicant has

signed a statement confirming the accuracy of the information provided in the application, and all required documents are received by the ~~department~~board.

(4) DETERMINATION OF APPROVAL. The ~~department~~board or its designee shall provide the applicant with its determination upon the request within 60 days after receipt of the completed application and required documents.

SECTION 9. RL 53.03 (1) (intro.), (d), as renumbered, are amended to read:

~~RL 53.03~~ **CB 4.03 Standards for approval. (1) CARE FUNDS.** The ~~department~~board or its designee may grant approval for a change of trustee of a care fund to a cemetery authority applying for the change of trustee if the cemetery authority submits evidence that the rights and interests of the beneficiary of the care fund will be adequately protected if the change is approved. Such evidence shall include, but is not necessarily limited to:

(d) An affidavit from an officer or director of the financial institution ~~to~~from whom the transfer is requested that it is authorized to act as a financial institution, and is in good standing, in this state. The affidavit shall confirm that all deposits into the care funds being transferred to a different trustee were timely, and that the principal has never withdrawn.

SECTION 11. CB 4.03 (1) (dm) is created to read:

CB 4.03 (1) (dm) An affidavit from an officer or director of the financial institution to whom the transfer is requested that it is authorized to act as a financial institution, and is in good standing, in this state.

SECTION 10. RL 53.03 (2) (d), as renumbered, is amended to read:

CB 4.03 (2) (d) An affidavit from an officer or director of the financial institution ~~to~~from whom the transfer is requested that its license is in good standing, in this state. The affidavit shall confirm that all deposits into the care funds being transferred to a different trustee were timely, and that the principal has never been withdrawn.

SECTION 12. CB 4.03 (2) (dm) is created to read:

CB 4.03 (2) (dm) An affidavit from an officer or director of the financial institution to whom the transfer is requested that its license is in good standing in this state.

SECTION 13. RL 53.04, 53.05, as renumbered, are amended to read:

~~RL 53.04~~ **CB 4.04 Compliance with terms of approval.** The ~~department~~board may approve a change of trustee upon such terms and conditions as deemed necessary to assure that the rights and interests of the beneficiary or purchaser will be adequately protected.

~~RL 53.05~~ **CB 4.05 Verification of deposit.** Within 30 days after the transfer of the care fund or preneed trust fund, the trustee shall submit information to the ~~department~~board verifying

the transfer, including the amount deposited, the date the deposit was made, and the account number of the fund.

SECTION 14. Chapter RL 54 is renamed and renumbered CB 5.

SECTION 15. RL 54.02, 54.03 (3), 54.05 (1), (2), as renumbered, are amended to read:

~~RL 54.02~~CB 5.02 Intent. The intent of this chapter is to assure that cemetery authorities which are required to register with the ~~department~~board maintain intact the principal amount in care funds in order to generate sufficient income to maintain cemeteries in perpetuity and to ensure that cemeteries in Wisconsin do not become a financial burden to taxpayers. It is also the intent to prohibit the officers, trustees, and the immediate family of the cemetery authority from directly profiting from the investments that are made by and on behalf of it.

~~RL 54.03~~CB 5.03 (3) “~~Department~~Board” means the ~~department of regulation and licensing~~cemetery board.

~~RL 54.05~~ CB 5.05 Procedures. (1) An officer, a trustee who has been elected pursuant to s. 157.062, Stats., or a certified public accountant acting on behalf of the cemetery authority shall file an affidavit with the ~~department~~board which identifies the class and amount of each investment and certifies that each investment is in compliance with the criteria in s. ~~RL 53.04~~CB 5.04.

(2) If the affidavit submitted to the ~~department~~board pursuant to sub. (1) lists investments in classes other than those described in s. ~~RL 54.04~~CB 5.04 (1) (a) to (d), the affidavit shall be accompanied by a written statement by a licensed investment advisor or a licensed securities broker, stating his or her belief that such investments will provide safety equal to or greater than the investment classes described in s. ~~RL 54.04~~CB 5.04 (1) (a) to (d).

(3) If the investment proposal meets the criteria set forth in s. ~~RL 54.04~~CB 5.04, the ~~department~~board may issue a letter of approval. A decision by the ~~department~~board not to approve an alternative investment may be appealed under ch. ~~RL~~SPS 1.

(4) Affidavits are effective for one year and shall be filed with the ~~department~~board annually. The affidavit shall certify compliance for the period since the last affidavit was filed except that the initial affidavit need only certify compliance as of the date it is made.

(5) Alternative investments made prior to November 1, 1991, are subject to ~~department~~board approval and the ~~department~~board may require divestiture of any alternative investment which does not meet the criteria in s. ~~RL 54.04~~CB 5.04. The cemetery authority shall divest such alternative investments within 180 days following notification by the ~~department~~board that an alternative investment does not meet the criteria.

(6) After ~~department~~board approval is obtained, the cemetery authority need not obtain further approval to increase the number of shares or units in the same security or investment if the shares or units meet the criteria set forth in s. CB 5.04 (1) (a) to (d), (3) and (4).

SECTION 16. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2), Stats.

(END OF TEXT OF RULE)

Dated _____ Agency _____
Chairperson
Cemetery Board

CB 3, 4, 5 CR 11- (Board authority) PH draft – analysis typo’s corrected 2-15-12