THIS SECTION DOES NOT APPLY TO:

(1) A PRENEED BURIAL CONTRACT UNDER WHICH ALL PRENEED GOODS AND PRENEED SERVICES, OTHER THAN DATES, SCROLLS, AND OTHER ADDITIONS THAT REPRESENT NOT MORE THAN 10% OF THE TOTAL CONTRACT PRICE, MUST BE DELIVERED OR PERFORMED WITHIN 120 DAYS AFTER RECEIPT OF 50% OF THE TOTAL CONTRACT PRICE; OR

(2) MONEY THAT A SELLER RECEIVES FOR PRENEED GOODS OR PRENEED SERVICES TO BE DELIVERED OR PERFORMED WITHIN 120 DAYS AFTER RECEIPT OF ANY PAYMENT ON ACCOUNT OF THE SALE, IF THE BUYER'S OBLIGATION FOR THESE PRENEED GOODS OR PRENEED SERVICES IS SEPARATELY ITEMIZED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 23, § 165B(b) and (c)(2), (3), (8), and the first sentence of (4).

In subsection (a) of this section, the former references to a "retail" contract price are deleted as unnecessary because the seller is selling directly to the buyer under a preneed burial contract.

Defined terms: "Buyer" § 5–401
"Preneed burial contract" § 5–401
"Preneed goods" § 5–401
"Preneed services" § 5–401
"Seller" § 5–401
"Trust account" § 5–401

5–406. ESTABLISHMENT OF TRUST ACCOUNTS.

(A) FORM.

EACH TRUST ACCOUNT SHALL BE:

(1) TITLED "PRENEED TRUST ACCOUNT"; AND

(2) ESTABLISHED BY THE SELLER IN THE SELLER'S NAME.

(B) TRUSTEES.

A TRUSTEE APPOINTED UNDER THIS SUBTITLE MUST BE:

(1) A NATIONAL BANKING ASSOCIATION, AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE;

(2) A BANKING INSTITUTION, AS DEFINED IN THE FINANCIAL INSTITUTIONS ARTICLE; OR

(3) ANY OTHER FINANCIAL INSTITUTION ALLOWED BY LAW TO ENGAGE IN THE TRUST BUSINESS.