

SENATOR PAPPAS: No, I will wait for closing.

PRESIDENT: Senator Johnson, Lowell Johnson.

SENATOR L. JOHNSON: Yes.

PRESIDENT: May we have order in the Chamber, please. There is quite a bit of conversation welling up. (Gavel.) Senator Johnson.

SENATOR L. JOHNSON: Mr. President and members of the Legislature, one of the paramount concerns expressed here on the floor this morning seems to have been whether or not the 100 percent feature is proper or not and whether it is in the consumer's interest. I guess I would just like to share with the body some remarks made by the managing attorney for the Federal Trade Commission's Consumer Protection Bureau. Remember, they are concerned with protection of the consumer, and here are some of his remarks. "Most of the evidence at hearings focused on the anticompetitive impact of state 100 percent trust fund laws. Under these laws, all sale proceeds including interest must be deposited in a trust fund until death. Obviously, under these circumstances the seller will have no funds to pay overhead including salaries and commissions until a very distant future date when death occurs and the merchandise is delivered. Some evidence indicates that the average delivery time is 29 years. The evidence further indicates that most, if not all, potential sellers are unwilling or unable to subsidize these sales for so many years. Since sellers can recover neither their expenses nor a competitive rate of return within a reasonable period of time, these laws may severely inhibit, if not completely prevent, pre-need sellers from entering the market. Proponents of the 100 percent trust laws, of course, claim that the laws are necessary to assure that pre-need sellers are capable of performance in the future and to protect the consumers from fraud. However, it is not clear that 100 percent trust laws are effective in curbing these abuses." These are words from the Consumer Protection Bureau of the Federal Trade Commission, and with those remarks I hope will clarify some of the confusion which exists on the bill, and I certainly urge your vote to advance the bill to Final Reading. Thank you, Mr. President.