

16-302. Same; payments, form and deposit of; exceptions. (a) Except as authorized by K.S.A. 16-308, and amendments thereto, all funds received pursuant to any agreement, contract or plan governed by K.S.A. 16-301, and amendments thereto, shall be deposited in a bank, credit union or savings and loan association and shall be held by such bank, credit union or savings and loan association in a separate account in the name or names of the purchaser of the merchandise or services and the name of the seller, until released as herein provided.

(b) In addition to the requirements under subsection (a) and except as otherwise provided in subsection (c), a seller which accepts payment under any agreement, contract or plan governed by K.S.A. 16-301, and amendments thereto, shall:

(1) Require such payments to be made in the form of checks, cashier's checks or money orders payable only to the bank, credit union or savings and loan association where deposited; and

(2) deposit such payment in such bank, credit union or savings and loan association within seven business days after receipt.

(c) A seller of agreements, contracts or plans governed by K.S.A. 16-301, and amendments thereto, shall be exempt from the requirements of subsection (b) if the seller maintains commercial insurance providing minimum coverage of \$100,000 against employee dishonesty. A seller of agreements, contracts or plans governed by K.S.A. 16-301, and amendments thereto, which is exempt from subsection (b) under this subsection and which accepts payment under any such agreement, contract or plan shall deposit such payment in a bank, credit union or savings and loan association within 30 days after receipt. Evidence of the commercial insurance maintained for compliance with this subsection shall be provided to the secretary of state within 10 days of a written request.

(d) Each funeral establishment which accepts payments from a purchaser under an agreement, contract or plan governed by K.S.A. 16-301, and amendments thereto, and is exempt from subsection (b) under the provisions of subsection (c), shall file with the state board of mortuary arts at the time of each funeral establishment license renewal required under K.S.A. 65-1729, and amendments thereto, evidence of the commercial insurance maintained for compliance with subsection (c). If such insurance lapses, is cancelled or otherwise ceases to be maintained by the funeral establishment, the insurance carrier shall notify immediately the state board of mortuary arts and the secretary of state of such occurrence.

History: L. 1953, ch. 54, § 2; L. 1973, ch. 86, § 2; L. 1976, ch. 97, § 2; L. 1983, ch. 76, § 2; L. 1989, ch. 48, § 71; L. 1991, ch. 68, § 1; L. 1992, ch. 127, § 1; July 1.