

STATE OF NEW YORK

9468

IN SENATE

March 16, 2026

Introduced by Sen. FAHY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the not-for-profit corporation law, in relation to the administration of dormant lot-specific cemetery trusts

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The not-for-profit corporation law is amended by adding a
2 new section 1507-b to read as follows:

3 § 1507-b. Administration of dormant lot-specific trusts.

4 (a) Definitions. For purposes of this section, the following terms
5 shall have the following meanings:

6 (1) "Lot-specific trust" means any trust, fund, endowment, or
7 restricted account established for the maintenance, care, preservation,
8 ornamentation, or improvement of a particular cemetery lot, plot, grave,
9 or burial space.

10 (2) "Dormant lot-specific trust" shall mean a lot-specific trust for
11 which:

12 (i) no living trustee is known to exist;

13 (ii) no successor trustee is designated in the governing instrument;
14 and

15 (iii) no written direction, claim, or documented exercise of authority
16 by a person entitled to enforce or administer such trust has occurred
17 for a period of thirty years.

18 (b) Determination of dormancy. Determination of dormancy shall be
19 based solely upon the books and records maintained by the cemetery
20 corporation in the ordinary course of business. Nothing in this section
21 shall require a cemetery corporation to conduct genealogical research,
22 independent investigation, or extraordinary efforts to locate trustees
23 or descendants.

24 (c) Statutory successor custodian. Upon determination that a lot-spe-
25 cific trust is dormant, the cemetery corporation may elect to assume
26 statutory custodianship of such trust for administrative purposes, with-
27 out the necessity of court appointment, and shall administer such trust

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 in accordance with the fiduciary standards applicable under this arti-
2 cle.

3 (d) Preservation of restricted status; no commingling. (1) Funds
4 subject to custodianship under this section shall remain separate
5 restricted trust assets and shall not be deemed part of the permanent
6 maintenance fund established pursuant to section fifteen hundred seven
7 of this article unless originally constituted as part of such fund.

8 (2) Such funds shall not revert to or become part of the general
9 assets of the cemetery corporation.

10 (3) Custodianship pursuant to this section shall not expand, diminish,
11 or otherwise alter the permissible use of principal or income as
12 provided in the original governing instrument of the trust.

13 (4) Funds administered pursuant to this section shall not be deemed
14 abandoned property under the abandoned property law.

15 (5) Separate accounting pursuant to this section shall not require the
16 establishment of separate bank or investment accounts, provided that
17 funds are identifiable through appropriate bookkeeping and internal
18 records.

19 (e) Accounting and oversight. The cemetery corporation shall maintain
20 separate accounting records for each dormant lot-specific trust and
21 shall administer such trust subject to the same investment standards and
22 reporting obligations applicable to trust funds under this article.
23 Nothing in this section shall create additional annual reporting obli-
24 gations beyond those otherwise required under this article.

25 (f) Right of claim by descendants or interested persons. Any descend-
26 ant, heir, or person demonstrating a familial, ownership, or lawful
27 interest in the burial lot associated with a dormant lot-specific trust
28 may, at any time, submit reasonable proof of such relationship to the
29 cemetery corporation and shall thereafter be recognized as entitled to
30 provide direction consistent with the purposes of the trust.

31 (g) Judicial review. Any dispute arising under this section may be
32 brought before the supreme court in the judicial district in which the
33 cemetery is located.

34 (h) Construction. Nothing in this section shall be construed to extin-
35 quish the purpose of any lot-specific trust or to authorize diversion of
36 trust principal or income for purposes unrelated to the care, preserva-
37 tion, or improvement of the associated lot.

38 § 2. This act shall take effect immediately.