

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 148

(Senator Klausmeier)

Finance

Health and Government Operations

Office of Cemetery Oversight - Preneed Burial Contracts - Report Submission Requirement

This bill extends – from 120 to 150 days – the timeframe within which a seller of preneed burial contracts must submit a report to the Director of Cemetery Oversight after the close of each calendar year.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: There are two types of trust funds related to cemetery services regulated by the Office of Cemetery Oversight: perpetual care trust funds and preneed trust accounts. Generally, sellers of perpetual care and preneed services must place in trust a portion of the cost or sale price of the goods or services shortly after the time of sale.

“Perpetual care” means the maintenance, including the cutting of grass abutting memorials or monuments, as well as the administration, supervision, and embellishment of a cemetery and its grounds, roads, and paths. Additionally, it includes the repair and renewal of buildings, including columbaria and mausoleums, and the property of the cemetery. “Preneed services” means services that are sold before the buyer’s death and in connection with a burial, and includes opening and closing a grave.

A similar reporting requirement exists for both perpetual care trust funds and preneed trust accounts, including that persons subject to the trust requirements must submit a report to the Director of Cemetery Oversight within 120 days of the close of each calendar year.

The bill applies *solely* to the reporting requirement for preneed trust accounts, which must be on the form that the director requires, certified by a certified public accountant, and accompanied by a trustee's annual summary statement of assets for the reporting period that includes specified fund balance and transaction information.

Background: The Office of Cemetery Oversight was established by Chapter 675 of 1997. The office registers and regulates the cemetery and burial goods industry in the State under the leadership of a director. An advisory council serves as a source of expertise for the director and provides insight into the needs of the business community and the consumers served by the industry. The Cemetery Oversight Fund was established as a continuing, nonlapsing special fund to cover the documented direct and indirect costs of fulfilling the statutory and regulatory duties of the office.

Additional Information

Prior Introductions: None.

Cross File: HB 512 (Delegate K. Young, *et al.*) – Health and Government Operations.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2015
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