

**Department of Legislative Services**  
 Maryland General Assembly  
 2025 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 671  
 Finance

(Senator M. Washington)

Rules and Executive Nominations

**Office of Cemetery Oversight - Study of Deathcare and Funeral Practices**

This bill requires the Office of Cemetery Oversight (OCO), in consultation with the Maryland Department of Health (MDH), the Maryland Department of Labor (MD Labor), and the Maryland Department of the Environment (MDE), to conduct a comprehensive study of the impacts of deathcare and funeral practices on the environment and public health of the State. OCO must submit (1) by July 1, 2026, an interim report and (2) by January 1, 2027, a final report to the Governor and the General Assembly. **The bill takes effect July 1, 2025.**

**Fiscal Summary**

**State Effect:** OCO special fund expenditures increase by \$111,800 in FY 2026 and \$30,800 in FY 2027 for consultant services and contractual staff to conduct required research and complete the study. MDH general fund expenditures increase by \$47,700 in FY 2026 and \$19,400 in FY 2027 for contractual staff to consult with OCO. MDE general fund expenditures also increase in FY 2026 and 2027 (not quantified below) to hire a consultant to assist with the study. Revenues are not affected.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	47,700	19,400	0	0	0
SF Expenditure	111,800	30,800	0	0	0
Net Effect	(\$159,500)	(\$50,300)	\$0	\$0	\$0

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The study must (1) evaluate deathcare and funeral practices in the State, as specified; (2) assess the permitting and licensure processes for facilities and professionals engaged in deathcare and funeral practices; and (3) examine trends regarding the use of cremation and ground burials.

The study must include an analysis of the following deathcare and funeral practices: (1) embalming; (2) casket and vault or liner burial; (3) mausoleum or columbarium interment or inurnment; (4) casket only burial; (5) natural or green burial without a casket or with a wood casket alternative; (6) cremation or flame cremation; (7) alkaline hydrolysis or water cremation; (8) resomation or natural water cremation; and (9) natural organic reduction or body composting.

In examining the impacts of these practices, the study must include an analysis of:

- the impact of each practice on (1) land use, as specified; (2) soil and water quality as specified; (3) air quality, as specified; (4) public health, as specified; (5) the cost of compliance with environmental standards for providers; (6) the accessibility and equity in environmentally sustainable deathcare and funeral service sectors; (7) the potential for job creation and skill development in alternative deathcare and funeral service sectors; and (8) any opportunities for comprehensive training and use of work crews to gain skills and support the care and maintenance of cemeteries; and
- permitting and licensure processes, including (1) establishing and operating facilities, as specified; (2) emerging or alternative deathcare technologies, as specified; (3) gaps or inconsistencies in regulatory frameworks related to environmental and public health protections; (4) oversight and accountability measures to ensure compliance with environmental and public health standards; and (5) opportunities to streamline or improve licensing processes to support the development of sustainable and environmentally friendly practices.

OCO must (1) conduct site visits to facilities across the State to collect data on environmental and public health impacts; (2) collect data from other states and jurisdictions with existing regulations or studies on sustainable deathcare and funeral practices to inform the State's approach; (3) solicit input from specified groups and organizations; and (4) incorporate feedback from public stakeholders, as specified.

### *Required Reports*

The interim report must include (1) findings regarding environmental and public health impacts; (2) an inventory of facilities and practices in the State; and (3) any immediate concerns or areas requiring further study.

The final report must include (1) the results of the study; (2) a detailed analysis of the environmental, public health, and economic impacts of each deathcare and funeral practice; and (3) recommended policy changes, as specified.

**Current Law:** In Maryland, deathcare is regulated either by OCO within MD Labor or the State Board of Morticians and Funeral Directors within MDH, based on ownership of the deathcare facility. Specifically, OCO and the board each regulate facilities in which their registrants/permit holders or licensees hold majority ownership.

### *Final Disposition of a Decedent*

Generally, the body of a decedent may not be embalmed or artificially preserved without the express permission of the person authorized to arrange for the final disposition of the body or a court order. A funeral establishment or crematory must store the body of a decedent until final disposition at (1) a licensed funeral establishment; (2) a licensed or permitted crematory; or (3) another facility that has passed inspection by the State Board of Morticians and Funeral Directors or OCO within the previous two years.

An individual may not bury or dispose of a body except (1) in a family burial plot or other area allowed by a local ordinance; (2) in a crematory; (3) in a cemetery; (4) by donating the body to medical science; or (5) by removing the body to another state for final disposition in accordance with the laws of the other state.

### *Office of Cemetery Oversight*

The primary objective of OCO is to register and monitor individuals and businesses engaged in the operation of cemeteries and burial goods businesses in Maryland. This includes individuals and companies that sell funerary monuments and memorials on a retail basis. OCO also regulates and provides registration for crematories and reduction facilities under its jurisdiction – generally those with 50% or more ownership by a licensee of the office.

Responsibilities of OCO include the investigation and mediation of consumer complaints involving registrants and permit holders. To protect Maryland citizens from unfair and unscrupulous practices, OCO determines and enforces the ethical standards related to the operation of cemeteries and those related to the provision of burial goods and services within the State. OCO also regulates and monitors the funds held in perpetual care and preneed trusts by its licensees. OCO's administrative costs are paid from the Cemetery Oversight Fund, which receives fee payments from licensees and registrants.

### *State Board of Morticians and Funeral Directors*

The primary purpose of the State Board of Morticians and Funeral Directors is the protection of the public's health and welfare through proper credentialing; examination; licensure; and discipline of morticians, funeral directors, corporations, crematory operators, reduction facility operators, apprentices, surviving spouses, mortuary transport services, transporters, courtesy card holders, and holders of an executor license in Maryland. The board also licenses, permits, and inspects funeral establishments and specified crematories for compliance with all applicable federal, State, and local laws and takes disciplinary action against such establishments where warranted. The board has jurisdiction over crematories and reduction facilities that are majority-owned by its licensees.

### *Maryland Department of the Environment*

Any operation or equipment that discharges emissions to the outside air, such as a traditional crematory, requires an air quality permit to construct from MDE. MDE advises that all water cremation systems the department has encountered use electricity for heat and are closed with no stack emission point. Those systems do not require an air quality permit and would only require a permit if the vessel used to heat the remains used a fuel source instead of electricity. MDE also oversees local pretreatment programs for the disposal of embalming fluid and related chemicals used by funeral homes.

**State Expenditures:** Under the bill, OCO, in consultation with MD Labor, MDH, and MDE, must conduct a comprehensive study of the impacts of deathcare and funeral practices on the environment and public health of the State. OCO must submit an interim report by July 1, 2026, and a final report by January 1, 2027.

### *Office of Cemetery Oversight*

OCO does not have the expertise or resources to collect the specified data regarding deathcare and funeral practices in the State, including collecting data from other states and jurisdictions, as required by the bill. Thus, OCO anticipates hiring consultant services at an estimated total cost of \$40,000 in fiscal 2026. OCO also has staff vacancies and cannot absorb other responsibilities associated with completing the required study and reports without contractual staff. Therefore, MD Labor special fund expenditures increase by \$111,766 in fiscal 2026, which accounts for the bill's July 1, 2025 effective date. This estimate reflects the cost of hiring one part-time contractual analyst to coordinate the study for OCO. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses. It also encompasses the \$40,000 in consultant services, primarily for legal research related to the study.

Contractual Position	1.0
Salary and Fringe Benefits	\$64,121
Consultant Services	40,000
Other Operating Expenses	<u>7,645</u>
<b>Total FY 2026 MD Labor Expenditures</b>	<b>\$111,766</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the federal Patient Protection and Affordable Care Act (ACA). Fiscal 2027 costs reflect termination of one-time costs and that the contractual position terminates December 31, 2026, following the completion of the final report.

*Maryland Department of Health*

MDH advises that the department is unable to consult with OCO to complete the required study with existing staff. Therefore, MDH general fund expenditures increase by \$47,700 in fiscal 2026, which accounts for the bill’s July 1, 2025 effective date. This estimate reflects the cost of hiring one part-time contractual health policy analyst to consult with OCO to complete the required study. It includes a salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Position	0.5
Salary and Fringe Benefits	\$40,607
Operating Expenses	<u>7,093</u>
<b>Total FY 2026 MDH Expenditures</b>	<b>\$47,700</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State’s implementation of the ACA. Fiscal 2027 costs reflect termination of the contractual position on December 31, 2026, following the completion of the final report.

*Maryland Department of the Environment*

MDE advises that, due to the extensive nature of the required study, MDE requires consultant services to consult with OCO as required by the bill. Therefore, MDE general fund expenditures increase for consultant services in fiscal 2026 and 2027; these services are likely to cost less than \$100,000, but a more precise estimate is not available.

## **Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 152 of 2024 and HB 869 of 2023.

**Designated Cross File:** HB 711 (Delegate Simmons, *et al.*) - Health and Government Operations.

**Information Source(s):** Maryland Department of the Environment; Maryland Department of Health; Maryland Department of Labor; Department of Legislative Services

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Analysis by: Amberly E. Holcomb

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510