

**House Health and Government Operations Committee** of the Maryland General Assembly  
**Testimony on: HB 0005 “Cemeteries – Perpetual Care – Distribution From Perpetual Care Trust Fund”**  
**Position: Oppose** Hearing Date: January 21, 2021

I am David Zinner, a consumer representative on the Advisory Council on Cemetery Operations. My testimony is not offered in any official capacity or as a representative of the Advisory Council or the Office of Cemetery Oversight.

When a consumer buys a plot in a Maryland regulated cemetery, a portion of that purchase price is put into a Perpetual Care Trust Fund. The fund exists to serve the **consumer** by maintaining the cemetery where the consumer’s loved ones are buried.

Changes to the rules of how money is put into or taken out of the Trust Funds needs to be carefully and professionally evaluated. This evaluation **cannot** be done by an investment manager who is focused on picking stocks. It needs to be done by an actuary, who evaluates future income and expenses and lays out a road map that gives consumer’s confidence and cemeteries a plan to insure future fund adequacy.

Cemeteries are unique business entities. They need to function in the present while making sure they will be able to operate long into the future. The proposed bill focuses solely on the present and ignores the future.

The Trust Fund is attached to the land, not the owners. It has to last for 100 years and more. Tinkering with the trust funds as proposed in the bill is the equivalent of throwing darts with a blindfold over your eyes. And the Maryland target is over 90 million dollars, the amount in the Perpetual Care Trust Funds in more than 80 different Maryland cemeteries.

The authors of these bills don’t even bother to assert, much less prove, that this change will protect a fund that is NOT insured by the Federal or State government. All that protects the consumer and stands between the cemeteries and the Perpetual Care Fund is the statute that mandates how much money must be put into the fund and the current limits of what money – interest and dividends – can be withdrawn for maintenance expenses.

And last, but certainly not least, is the curious omission of the fiscal impact on the Office of Cemetery Oversight that was included in the same bill proposed last year. Did these costs just disappear? I believe additional office staff are needed to evaluate, administer and approve the changes outlined in the bill. It is the job of the OCO to oversee the proper use of these funds.

David Zinner – 8112 Sea Water Path – Columbia, MD 21045 410-733-3700