

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 689 (Delegate Donoghue)  
Economic Matters

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**Preneed Burial Contracts - Cemeteries - Interest or Finance Charges**

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This bill specifies that a cemetery that makes a preneed burial contract may impose interest or a finance charge if in compliance with the retail installment sales provisions of the State credit regulations. Under current law, a cemetery that makes a preneed burial contract may impose interest or a finance charge (1) only on preneed goods delivered before death or preneed services performed before death; or (2) if the cemetery sells the preneed burial contract to a commercial lending institution. Violation of the installment sales provisions may result in a fine up to \$100 for a first offense and up to \$500 for any subsequent offense.

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**Fiscal Summary**

**State Effect:** Potential minimal increase in general fund revenues due to applicable penalty provisions. Assuming the Consumer Protection Division of the Office of the Attorney General would receive fewer than 50 complaints per year stemming from this bill, existing resources should be adequate to handle any additional workload.

**Local Effect:** None.

**Small Business Effect:** Potential meaningful impact on small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** There are approximately 1,400 cemeteries in the State, although most do not offer preneed contracts and would not be affected by this bill. There are approximately 60 that offer preneed contracts and the majority of these cemeteries are small businesses. The bill would allow cemeteries to charge interest on all preneed burial contracts. The increased total cost of preneed contracts could result in an increase in income for cemeteries.

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**Information Source(s):** Office of the Attorney General (Consumer Protection Division),  
Secretary of State, Department of Fiscal Services

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