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March 12, 2020

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**Re: Senate Bill 483 – Cemeteries – Perpetual Care – Distribution from Perpetual Care Trust Fund - FAVORABLE**

Dear Chair Kelley:

On behalf of the Maryland Cemetery and Cremation Association, I am writing in support of Senate Bill 483. Founded in 1916, (formerly “Maryland Free State Cemetery Association”), the Maryland Cemetery and Cremation Association represents the shared interests and concerns of professionals across the spectrum of Maryland’s “death care” industries.

This legislation will allow cemeteries regulated by the Office of Cemetery Oversight the option to modernize the way they invest and use the funds in their perpetual care trust funds. Independent cemeteries are committed to ensuring that their perpetual care trust funds are well maintained and robust so that they will last in perpetuity.

By contrast, the current allowable method of withdrawing funds from the perpetual care trust fund creates uncertainty for the growth and future care and maintenance of the cemetery grounds, particularly in a year where there is a market downturn.

As you consider this important piece of legislation, it is important to note what is currently in law. First, any funds withdrawn from the trust fund can only be used for the care and maintenance of the cemetery. The funds cannot be used for any other purpose, under criminal penalty. Second, the trust must be administered by an independent trustee with a fiduciary duty to protect and grow the trust. Third, regulated cemeteries submit annual reports to the Office of Cemetery Oversight and financial reports, audited by an independent CPA.

In addition to the above, this legislation provides for enhanced oversight by the Office of Cemetery Oversight. Should the cemetery elect to modernize their trust, the independent trustee will have to provide an annual attestation that using the total return method will not harm the trust. Also, the Director of the Office of Cemetery Oversight will have discretion to step in if he or she has reason to believe the trust is faltering.



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We believe that this bill will allow independent cemeteries to ensure that their perpetual care trust funds will be secure for generations to come.

For the reasons detailed above, the Maryland Cemetery and Cremation Association urges a favorable report on Senate Bill 483.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Stierhoff".

John R. Stierhoff

cc: Members, Senate Finance Committee