
By: Delegate Donoghue

Introduced and read first time: January 31, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 Preneed Burial Contracts - Cemeteries - Interest or Finance Charges

3 FOR the purpose of authorizing a cemetery that makes a preneed burial contract to
4 impose interest or a finance charge in compliance with certain provisions of law.

5 BY repealing and reenacting, with amendments,
6 Article - Business Regulation
7 Section 5-404(e)
8 Annotated Code of Maryland
9 (1992 Volume and 1995 Supplement)

10 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
11 MARYLAND, That the Laws of Maryland read as follows:

12 **Article - Business Regulation**

13 5-404.

14 (e) (1) Except as otherwise provided in this subsection, a preneed burial
15 contract may not provide for interest or a finance charge.

16 (2) A cemetery that makes a preneed burial contract may impose interest or
17 a finance charge on preneed goods [delivered before death] or preneed services
18 [performed before death] IN COMPLIANCE WITH THE PROVISIONS OF TITLE 12,
19 SUBTITLE 6 OF THE COMMERCIAL LAW ARTICLE.

20 (3) A cemetery may sell a preneed burial contract to a commercial lending
21 institution if the preneed burial contract signed by the original buyer of the preneed
22 goods or preneed services contains the following language in 12-point or larger type:

23 "Notice to consumers: This contract of sale may be sold to a commercial lending
24 institution. After the sale, the commercial lending institution may impose interest or a
25 finance charge on the remaining balance due".

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 October 1, 1996.