
By: Senator Astle

Introduced and read first time: January 31, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

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

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

6 BY repealing and reenacting, with amendments,
7 Article - Business Regulation
8 Section 5-404(e)
9 Annotated Code of Maryland
10 (1992 Volume and 1995 Supplement)

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

13 **Article - Business Regulation**

14 5-404.

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

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

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

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

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