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By: **Delegates Morhaim and Ciliberti**  
Introduced and read first time: February 6, 1998  
Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Mortuary Science Business - Corporations - Licenses**

3 FOR the purpose of allowing the State Board of Morticians to issue to a Maryland  
4 corporation a license to operate a mortuary science business; limiting the  
5 number of licenses in certain years; providing for the use of a lottery to issue  
6 licenses under certain circumstances; providing that if a license is not used in a  
7 certain period it shall be void; requiring certain reports; placing certain  
8 restrictions on the transfer of a corporate license; eliminating certain  
9 requirements for renewal of a license; and generally relating to allowing  
10 corporations to obtain licenses to operate mortuary science businesses.

11 BY repealing and reenacting, with amendments,  
12 Article - Health Occupations  
13 Section 7-309  
14 Annotated Code of Maryland  
15 (1994 Replacement Volume and 1997 Supplement)

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

18 **Article - Health Occupations**

19 7-309.

20 (a) (1) [Except as otherwise provided by law, a] A corporation may [not]  
21 OBTAIN A LICENSE TO operate a mortuary science business [and] FROM the Board  
22 [may not issue a license to or list any corporation as licensed to operate a mortuary  
23 science business] AS PROVIDED IN THIS SECTION.

24 (2) TO OBTAIN A CORPORATE LICENSE, THE CORPORATION MUST  
25 MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN THIS STATE.

26 (3) THE BOARD MAY ISSUE:

27 (I) NO MORE THAN 10 CORPORATE LICENSES IN EACH OF  
28 CALENDAR YEARS 1998, 1999, AND 2000; AND

1 (II) ANY NUMBER OF CORPORATE LICENSES AFTER 2000.

2 (4) IF A CORPORATE LICENSE IS NOT USED FOR THE PRACTICE OF  
3 MORTUARY SCIENCE IN ANY 2-YEAR PERIOD, THE LICENSE IS VOID.

4 (5) IF A CORPORATE LICENSE IS SOLD OR OTHERWISE TRANSFERRED,  
5 THE CONSIDERATION FOR THE TRANSFER OF THE LICENSE MAY NOT EXCEED THE  
6 AMOUNT OF THE FEE PAID TO THE BOARD.

7 (b) The Board may renew [only] the license of a corporation that:

8 (1) [On June 1, 1945, held a license issued by this State;

9 (2) Has been renewed continuously since that date;

10 (3)] Submits an application on a form required by the Board; and

11 [(4)] (2) Pays a fee set by the Board.

12 (c) Each application for renewal made by a corporation shall state the name  
13 and address of each officer and director of the corporation.

14 (d) While a [corporation] CORPORATE license is effective, it authorizes a  
15 corporation to operate a mortuary science business only if any practice of mortuary  
16 science that is conducted for the corporation is practiced by a licensed individual.

17 (e) A corporation may not operate a branch funeral establishment unless the  
18 branch funeral establishment was in operation on or before October 1, 1964.

19 (f) If a corporation is sold, declares bankruptcy, or ceases to operate, written  
20 notice must be submitted to:

21 (1) The Board, within 2 weeks of the occurrence, detailing the changes  
22 and the arrangements for carrying out the pre-need contracts and disbursement of  
23 the money held in escrow; and

24 (2) The holders of pre-need contracts advising them of their options  
25 under Maryland law.

26 SECTION 2. AND BE IT FURTHER ENACTED, That if the number of  
27 applicants for a corporate license under § 7-309(a)(3) of the Business Regulation  
28 Article exceeds the number of available licenses in calendar years 1998, 1999, or  
29 2000, the State Board of Morticians shall implement a lottery to determine which  
30 eligible applicant shall receive a license.

31 SECTION 3. AND BE IT FURTHER ENACTED, That the State Board of  
32 Morticians shall report annually to the General Assembly, in accordance with §  
33 2-1246 of the State Government Article, on the granting of corporate licenses, and  
34 may make any recommendations for changes in the law relating to those licenses.

1 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 1998.