

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 185 (Senators Della and Madden)

Finance

Office of Cemetery Oversight - Religious, Nonprofit Cemeteries

This bill exempts religious nonprofit cemeteries from the registration and permitting requirements of the Maryland Cemetery Act.

Fiscal Summary

State Effect: Minimal impact on the Cemetery Oversight Fund.

Local Effect: None.

Small Business Effect: Potential meaningful impact on small cemeteries.

Fiscal Analysis

State Effect: Maryland has an estimated 1,400 cemeteries, comprised of 75 for-profit cemeteries and 1,325 nonprofit cemeteries. Approximately 60 nonprofit cemeteries offer preneed contracts.

Chapter Law 675 of 1997 established the Office of Cemetery Oversight to regulate the death care industry. The Office of Cemetery Oversight is authorized to impose sanctions for legal violations and to administer the registration and permitting requirements. Under current law, the registration and permitting requirements apply to all for-profit cemeteries and religious nonprofit cemeteries which offer preneed contracts. The bill exempts all religious nonprofit cemeteries from the registration and permitting requirements. Thus, the registration and permitting requirements apply to approximately 135 cemeteries under current law and 75 cemeteries under the bill. Current law also provides that religious nonprofit cemeteries which sell preneed goods will become subject to the registration and permitting fees on October 1, 1999. The Office of Cemetery Oversight has not yet promulgated the fee

amounts.

The Office of Cemetery Oversight is specially funded from registration and permitting fees. The total fees collected toward the Cemetery Oversight Fund must reflect the total cost of maintaining the Office of Cemetery Oversight. The cost of administering the registration and permitting requirements is relatively small compared to the total cost of maintaining the office. Decreasing the number of cemeteries subject to the registration and permitting requirements from 135 to 75 should not significantly affect the cost of maintaining the office.

Small Business Effect: Most of the estimated 1,400 cemeteries in the State are small businesses. This bill would positively affect approximately 60 nonprofit cemeteries which offer preneed goods by exempting them from the registration and permitting fees.

However, this bill could result in substantially higher registration and permitting fees for small for-profit cemeteries. The Office of Cemetery Oversight would have to cover its costs from fees collected from 75 for-profit cemeteries as opposed to 135 cemeteries (75 for-profit, 60 nonprofit offering preneed contracts). Therefore, in order to cover the cost of maintaining the Office of Cemetery Oversight at its current level, the fees are expected to increase 80%.

Information Source: Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 1998

Inc

Analysis by: Jo Ellan Jordan

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710