

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 379 (Senator Madden)

Finance

Preneed Burial Contracts - Caskets and Casket Vaults - Refunds

This bill allows a buyer to cancel the purchase of a casket or a casket vault under a preneed burial contract by written notice at any point prior to the time the buyer needs the casket or casket vault for burial. The trustee would be required to refund to the buyer the specific funds applicable to the casket or casket vault under the preneed burial contract and interest accrued on those funds. The seller would be required to pay the buyer an amount of money that would provide the buyer with a full refund of the purchase price of the casket or casket vault under the preneed burial contract.

Fiscal Summary

State Effect: None. Any additional costs to the Office of Cemetery Oversight associated with administering the provisions of this bill could be absorbed within existing resources.

Local Effect: None.

Small Business Effect: Potential meaningful impact.

Fiscal Analysis

Small Business Effect: There are approximately 1,400 cemeteries in the State, although most do not offer preneed contracts and would not be affected by this bill. Approximately 60 of these cemeteries offer preneed contracts, the majority of which are small businesses. This bill allows a buyer to cancel the purchase of a casket or a casket vault under a preneed burial contract prior to burial. The cemetery would remain bound to the contract, leaving the buyer with a unilateral right to cancel without penalty. It is expected that some cemeteries would not include caskets or casket vaults into their preneed burial contracts on this basis. However, some cemeteries will accept the heightened risk associated with a buyer's right to

cancel the casket or casket vault purchase in order to provide for the buyer's full preneed burial requirements under one contract.

Information Sources: Department of Labor, Licensing, and Regulation; Secretary of State

Fiscal Note History: First Reader - February 10, 1998

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