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By: **Delegate Owings**

Introduced and read first time: February 10, 1999

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Funeral Homes - Issuance of Corporation Licenses**

3 FOR the purpose of requiring the State Board of Morticians to issue a corporation  
4 license to certain funeral homes under certain circumstances; prohibiting such a  
5 license from being transferred or sold independently of the funeral home;  
6 requiring that such a license be subject to certain renewal provisions; and  
7 generally relating to the issuance of corporation licenses.

8 BY repealing and reenacting, with amendments,  
9 Article - Health Occupations  
10 Section 7-309  
11 Annotated Code of Maryland  
12 (1994 Replacement Volume and 1998 Supplement)

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

15 **Article - Health Occupations**

16 7-309.

17 (a) Except as otherwise provided by law, a corporation may not operate a  
18 mortuary science business and the Board may not issue a license to or list any  
19 corporation as licensed to operate a mortuary science business.

20 (b) The Board may renew only the license of a corporation that:

- 21 (1) On June 1, 1945, held a license issued by this State;
- 22 (2) Has been renewed continuously since that date;
- 23 (3) Submits an application on a form required by the Board; and
- 24 (4) Pays a fee set by the Board.

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

3 (d) While a corporation license is effective, it authorizes a corporation to  
4 operate a mortuary science business only if any practice of mortuary science that is  
5 conducted for the corporation is practiced by a licensed individual.

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

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

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

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

15 (G) (1) THE BOARD SHALL ISSUE A CORPORATION LICENSE TO A FUNERAL  
16 HOME THAT:

17 (I) WAS IN EXISTENCE BEFORE 1950;

18 (II) WAS LOCATED ON THE GROUNDS OF A CEMETERY;

19 (III) WAS PREVIOUSLY UNDER A CORPORATION LICENSE;

20 (IV) WAS DESTROYED BY FIRE OR NATURAL CAUSES; AND

21 (V) IS LATER REBUILT ON THE GROUNDS OF THE SAME CEMETERY.

22 (2) A LICENSE ISSUED UNDER THIS SUBSECTION MAY ONLY BE SOLD OR  
23 TRANSFERRED IN CONJUNCTION WITH THE SALE OR TRANSFERRAL OF THE  
24 FUNERAL HOME AND MAY NOT BE SOLD OR TRANSFERRED INDEPENDENTLY OF THE  
25 FUNERAL HOME.

26 (3) A LICENSE ISSUED UNDER THIS SUBSECTION IS SUBJECT TO THE  
27 RENEWAL PROVISIONS OF SUBSECTION (B) OF THIS SECTION.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 1999.