

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 504 (Senator Kellev)

Finance

Morticians - Pre-Need Contracts - Investment of Funds

This bill modifies the types of investment accounts required under a pre-need burial contract by providing that a trust account may be invested in securities or other obligations that are lawful investments for a fiduciary.

Fiscal Summary

State Effect: The bill's requirements would not materially affect governmental finances.

Local Effect: None.

Small Business Effect: Potential minimal. After the requirements of a pre-need contract have been executed, a mortician or funeral director is entitled to all interest or dividends earned by the escrow or trust account. A mortician or funeral director that is a small business may receive some increased income from these types of investments.

Analysis

Current Law: A mortician or funeral director must deposit payment for a pre-need contract into an interest bearing escrow or trust account. A pre-need contract is a purchase agreement for funeral services or merchandise made before the purchaser is deceased.

A mortician or a funeral director who violates the pre-need contract provisions is guilty of a misdemeanor and subject to a fine not exceeding \$500 or imprisonment not exceeding one year, or both.

Additional Information

Prior Introductions: None.

Cross File: HB 430 (Delegate Harrison) - Environmental Matters.

Information Source(s): Department of Health and Mental Hygiene (Board of Morticians),
Department of Legislative Services

Fiscal Note History: First Reader - March 5, 2000
mld/jr

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