

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

Senate Bill 420 (Senator Hollinger) (Chairman, Health Subcommittee)
Education, Health, and Environmental Affairs Environmental Matters

State Board of Morticians - Sunset Extension and Program Evaluation

This bill extends the sunset date for the State Board of Morticians (SBM) from July 1, 2002 to July 1, 2008 and requires another sunset evaluation on or before July 1, 2007. The bill provides that inspections of funeral establishments may take place at any time without notice from SBM. Unannounced inspections may include advance notice that an investigator may be in the region of a funeral establishment if the advance notice is no more than 14 days prior to the inspection, no specific date or time is provided, and the purpose of the advance notice is only to ensure that a licensed mortician will be on site for the inspection. SBM is required to report to the Senate Education, Health, and Environmental Affairs and the House Environmental Matters committees on or before October 1, 2002 on the implementation status of nonstatutory recommendations made by the Department of Legislative Services (DLS) that are adopted by the committees. The bill is effective July 1, 2002.

Fiscal Summary

State Effect: Special fund revenues and expenditures for the board would be maintained beyond FY 2002. The FY 2003 budget for the board is \$358,600 and the budget assumes \$284,500 in special fund revenues for the board. Out-year revenues and expenditures are expected to remain relatively constant except for revenue fluctuations due to biennial license renewal schedules.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Inspections of funeral establishments by SBM investigators must be unannounced. SBM is to terminate operations as of July 1, 2002.

The board is subject to the Maryland Program Evaluation Act, also known as the “Sunset Law,” which provides a system of periodic legislative review of the regulatory, licensing, and other activities of various units of State government. “Sunset review” determines the need for certain programs, services, and other governmental functions and is intended to make governmental activities responsive to the public interest.

Background: Funeral service providers and establishments are regulated by SBM. Maryland has regulated this industry for 100 years. The 12-member board licenses and regulates funeral service providers, licenses, inspects and regulates funeral establishments, investigates complaints, establishes standards for the mortuary science industry, monitors and regulates funeral industry advertising, and provides consumer education.

This bill arises out of the sunset evaluation performed by DLS during 2000. In its report, DLS recommended that SBM be continued and its termination date extended ten years to July 1, 2012. Traditionally, a board scheduled for sunset during 2002 would have legislation to extend its termination date introduced during the 2001 session. However, the House Environmental Matters Committee had concerns with board structure and operations. After a public hearing on December 12, 2000, the Environmental Matters Committee decided not to propose legislation during the 2001 session to extend the termination date of the board. Instead, the committee required SBM to report by October 1, 2001 on the status of implementation of nonstatutory recommendations made by DLS in the sunset review report.

Pursuant to DLS recommendations, this bill requires SBM to codify its current annual inspections policy, which generally requires unannounced inspections, but allows for some advance notification that is not specific as to time and place. The bill also requires SBM to report to the Senate Education, Health, and Environmental Affairs and House Environmental Matters committees on the implementation of nonstatutory recommendations made by DLS that are adopted by the committees. Other recommendations include:

- legislation should be enacted to phase out the surviving spouse license, while grandfathering in the existing 11 licensees;

- SBM should report to the Senate Education, Health, and Environmental Affairs and House Environmental Matters committees by October 1, 2001 on how the board will reduce expenses and increase revenues;
- SBM should amend its existing regulations to specify a set monetary late fee and reinstatement fee;
- SBM should develop a written plan to specify how it will monitor current and emerging forms of corporate involvement in the Maryland funeral industry;
- SBM should hold training on the Open Meetings Act and modify its practices to comply fully with the law;
- SBM should expand its complaint tracking spreadsheet system or purchase a new system that allows more accurate tracking of complaint resolution over time; and
- SBM should work with the Department of Health and Mental Hygiene to ensure that SBM's inspection workload is handled in a timely manner. SBM should report on how the workload issue has been resolved.

State Fiscal Effect: Special fund revenues for SBM will be maintained beyond fiscal 2002 because the bill proposes to continue SBM. In fiscal 2002 the projected special fund revenue is \$433,800. For fiscal 2003 the beginning fund balance is projected to be \$180,934, and the projected revenue is \$284,478 with the fluctuation due to the effect of biennial licensing. The fiscal 2003 budget appropriation for SBM is \$358,641.

Additional Information

Prior Introductions: None.

Cross File: None. However, HB 465 (Chairman, Environmental Matters Committee) - Environmental Matters Committee is substantially similar. It has a different termination date for the board and a different effective date.

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

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Analysis by: Karen D. Morgan

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510