

HOUSE BILL 795

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HB 956/03 - HRU

2004 Regular Session  
4r1635  
CF 4r1621

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By: **Delegates Benson, Donoghue, Kach, Morhaim, and V. Turner**

Introduced and read first time: February 6, 2004

Assigned to: Health and Government Operations

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A BILL ENTITLED

1 AN ACT concerning

2 **Health Occupations - Morticians - Licensing - Corporations and Limited**  
3 **Liability Companies**

4 FOR the purpose of authorizing the Maryland State Board of Morticians to issue a  
5 license to operate a mortuary science business and a funeral establishment  
6 license to certain corporations and limited liability companies; repealing certain  
7 restrictions on the issuance and renewal of certain licenses; altering and  
8 establishing certain requirements for the renewal of a license to operate a  
9 mortuary science business to a corporation or limited liability company;  
10 requiring that certain information be included in an application made by a  
11 corporation or limited liability company for the issuance or renewal of a license  
12 to operate a mortuary science business; establishing a certain limitation on the  
13 authority of a limited liability company to operate a mortuary science business;  
14 requiring that if a limited liability company is sold, declares bankruptcy, or  
15 ceases to operate, a certain written notice must be submitted to certain persons;  
16 requiring an application for a funeral establishment license submitted by a  
17 corporation or limited liability company to be signed by certain persons;  
18 requiring the Board to issue a license to a funeral establishment that is owned  
19 or operated by at least one licensed mortician or one licensed funeral director, a  
20 holder of a surviving spouse or corporation license, or limited liability company;  
21 and generally relating to the issuance of corporation licenses and funeral  
22 establishment licenses to corporations and limited liability companies.

23 BY repealing and reenacting, with amendments,  
24 Article - Health Occupations  
25 Section 7-309 and 7-310  
26 Annotated Code of Maryland  
27 (2000 Replacement Volume and 2003 Supplement)

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

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**Article - Health Occupations**

2 7-309.

3 (a) [Except as otherwise provided by law, a corporation may not operate a  
4 mortuary science business and the] THE Board may [not] issue a license to [or] AND  
5 list [any] A corporation OR LIMITED LIABILITY COMPANY as licensed to operate a  
6 mortuary science business.

7 (b) The Board may renew [only] the license of a corporation OR LIMITED  
8 LIABILITY COMPANY that:

9 (1) [On June 1, 1945, held] HOLDS a license issued by this State;

10 (2) Has [been renewed] continuously RENEWED THE LICENSE since  
11 [that] THE date THE LICENSE WAS ISSUED;

12 (3) Submits an application on a form required by the Board; and

13 (4) Pays a fee set by the Board.

14 (c) Each application for ISSUANCE OR renewal OF A LICENSE made by a  
15 corporation OR LIMITED LIABILITY COMPANY shall state the name and address of  
16 each officer and director of the corporation OR EACH MANAGING MEMBER OF THE  
17 LIMITED LIABILITY COMPANY.

18 (d) While a corporation OR LIMITED LIABILITY COMPANY license is effective, it  
19 authorizes a corporation OR LIMITED LIABILITY COMPANY to operate a mortuary  
20 science business only if any practice of mortuary science that is conducted for the  
21 corporation OR LIMITED LIABILITY COMPANY is practiced by a licensed individual.

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

24 (f) If a corporation OR LIMITED LIABILITY COMPANY is sold, declares  
25 bankruptcy, or ceases to operate, written notice must be submitted to:

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

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

31 7-310.

32 (a) (1) A funeral establishment shall be licensed by the Board before the  
33 establishment may be used for the preparation of the remains, viewing, and  
34 conducting of services.

1                   (2)     The licensee may be restricted to operations as determined by the  
2 Board.

3       (b)       (1)     To apply for a funeral establishment license, an applicant shall:

4                   (i)       Submit an application to the Board on the form that the Board  
5 requires; and

6                   (ii)      Pay to the Board an application fee set by the Board.

7                   (2)     An application for a funeral establishment license shall be signed  
8 [by]:

9                   (I)       BY a licensed individual who is not an apprentice but is the  
10 owner or co-owner of the establishment to be licensed; OR

11                   (II)      IF THE APPLICANT IS A CORPORATION, BY AN OFFICER OR  
12 DIRECTOR OF THE CORPORATION AND THE LICENSED INDIVIDUAL WHO IS NOT AN  
13 APPRENTICE BUT WILL BE RESPONSIBLE FOR THE PRACTICE OF ANY MORTUARY  
14 SCIENCE THAT IS CONDUCTED FOR THE CORPORATION; OR

15                   (III)     IF THE APPLICANT IS A LIMITED LIABILITY COMPANY, BY EACH  
16 MANAGING MEMBER OF THE LIMITED LIABILITY COMPANY AND THE LICENSED  
17 INDIVIDUAL WHO IS NOT AN APPRENTICE BUT WILL BE RESPONSIBLE FOR THE  
18 PRACTICE OF ANY MORTUARY SCIENCE THAT IS CONDUCTED FOR THE LIMITED  
19 LIABILITY COMPANY.

20       (c)       The Board shall issue a funeral establishment license to a funeral  
21 establishment that:

22                   (1)     Has complied with all applicable State and local laws;

23                   (2)     Will be owned [and] OR operated in accordance with this title by at  
24 least one licensed mortician or one licensed funeral director, [or] a holder of a  
25 surviving spouse or corporation license, OR LIMITED LIABILITY COMPANY; and

26                   (3)     Will be held responsible for any and all activities performed on the  
27 premises.

28       (d)       Signs and advertisements of a funeral establishment shall display the  
29 name that appears on the establishment license.

30       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
31 effect October 1, 2004.