

# HOUSE BILL 487

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CF 8lr1083

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By: **Delegate Hammen (Chair, Health and Government Operations Committee)**

Introduced and read first time: January 30, 2008

Assigned to: Health and Government Operations

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Morticians and Funeral Directors – Sunset Extension and**  
3 **Program Evaluation**

4 FOR the purpose of continuing the State Board of Morticians and Funeral Directors in  
5 accordance with the provisions of the Maryland Program Evaluation Act (sunset  
6 law) by extending to a certain date the termination provisions relating to the  
7 statutory and regulatory authority of the Board; requiring that an evaluation of  
8 the Board and the statutes and regulations that relate to the Board be  
9 performed on or before a certain date; requiring that pre-need contracts contain  
10 a certain disclosure statement; requiring the Board to submit certain reports on  
11 or before certain dates; and generally relating to the State Board of Morticians  
12 and Funeral Directors.

13 BY repealing and reenacting, with amendments,  
14 Article – Health Occupations  
15 Section 7-316(a)(29), 7-405(c) and (h), and 7-602  
16 Annotated Code of Maryland  
17 (2005 Replacement Volume and 2007 Supplement)

18 BY repealing and reenacting, without amendments,  
19 Article – Health Occupations  
20 Section 7-405(a) and (b)  
21 Annotated Code of Maryland  
22 (2005 Replacement Volume and 2007 Supplement)

23 BY repealing and reenacting, without amendments,  
24 Article – State Government  
25 Section 8-403(a)  
26 Annotated Code of Maryland  
27 (2004 Replacement Volume and 2007 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – State Government  
3 Section 8–403(b)(40)  
4 Annotated Code of Maryland  
5 (2004 Replacement Volume and 2007 Supplement)

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

8 **Article – Health Occupations**

9 7–316.

10 (a) Subject to the hearing provisions of § 7–319 of this subtitle and except as  
11 to a funeral establishment license, the Board may deny a license to any applicant,  
12 reprimand any licensee, place any licensee on probation, or suspend or revoke any  
13 license if the applicant or licensee:

14 (29) Fails to allow an inspection under [§ 7–205(8)] § **7–205(A)(8)** of  
15 this title;

16 7–405.

17 (a) (1) In this section the following words have the meanings indicated.

18 (2) “Beneficiary” means a person for whose benefit a pre–need contract  
19 is purchased and who will receive the merchandise or services offered under the  
20 contract.

21 (3) “Buyer” means a person that purchases a pre–need contract.

22 (4) “Seller” means a person who agrees to provide services or  
23 merchandise, directly or indirectly, under a pre–need contract.

24 (5) “Trustee” means a person that has responsibility for making  
25 pre–need arrangements in a manner that entitles the beneficiary to be eligible for  
26 benefits that restrict assets.

27 (b) (1) Only a licensed mortician, a licensed funeral director, or a holder of  
28 a surviving spouse license may offer or agree, directly or indirectly, to provide services  
29 or merchandise under a pre–need contract.

30 (2) Notwithstanding the provisions of paragraph (1) of this subsection,  
31 a licensed mortician or a licensed funeral director who is employed by a funeral  
32 establishment may execute pre–need contracts on behalf of the funeral establishment  
33 with which the mortician or funeral director is employed.

1           (3) Any funeral establishment on whose behalf pre-need contracts are  
2 executed under this subsection must comply with the requirements of this section.

3           (c) (1) A pre-need contract shall contain:

4                   (i) The name of each party to the contract and, if the  
5 beneficiary is an individual other than the buyer, the name of the beneficiary of the  
6 contract;

7                   (ii) A description of any service or merchandise to be provided  
8 under the pre-need contract;

9                               **(III) A DISCLOSURE STATEMENT THAT CLEARLY:**

10                                       **1. STATES THAT ALL FUNERAL COSTS MAY NOT BE**  
11 **COVERED UNDER THE PRE-NEED CONTRACT; AND**

12                                       **2. LISTS ALL FUNERAL GOODS AND SERVICES THAT**  
13 **ARE REASONABLY EXPECTED TO BE REQUIRED AT THE TIME OF NEED, BUT ARE**  
14 **NOT INCLUDED IN THE CONTRACT;**

15                               [[iii]] **(IV)** The total price of the services and merchandise agreed  
16 on; and

17                               [[iv]] **(V)** The method of payment.

18           (2) A pre-need contract shall be executed in duplicate and be signed  
19 by each party.

20           (3) The seller shall give one of the duplicate originals of the pre-need  
21 contract to the buyer.

22           (h) A seller of a pre-need contract shall disclose to the consumer[:

23                   (1) All goods and services that are reasonably expected to be required  
24 at the time of need, but are not included in the pre-need contract; and

25                   (2) The] **THE** buyer's cancellation and refund rights under subsection  
26 (d) of this section.

27 7-602.

28           Subject to the evaluation and reestablishment provisions of the Program  
29 Evaluation Act, this title and all rules and regulations adopted under this title shall  
30 terminate and be of no effect after July 1, [2008] **2018**.

1 **Article – State Government**

2 8–403.

3 (a) On or before December 15 of the 2nd year before the evaluation date of a  
4 governmental activity or unit, the Legislative Policy Committee, based on a  
5 preliminary evaluation, may waive as unnecessary the evaluation required under this  
6 section.

7 (b) Except as otherwise provided in subsection (a) of this section, on or before  
8 the evaluation date for the following governmental activities or units, an evaluation  
9 shall be made of the following governmental activities or units and the statutes and  
10 regulations that relate to the governmental activities or units:

11 (40) Morticians **AND FUNERAL DIRECTORS**, State Board of (§ 7–201  
12 of the Health Occupations Article: July 1, [2007] **2017**);

13 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before December 1,  
14 2008, the Board of Morticians and Funeral Directors shall submit a report to the  
15 Senate Education, Health, and Environmental Affairs Committee and the House  
16 Health and Government Operations Committee, in accordance with § 2–1246 of the  
17 State Government Article, regarding:

18 (1) any observed changes in licensure patterns;

19 (2) a plan to reduce the Board’s fund balance to 25% of biennial  
20 operating costs; and

21 (3) the status of nonstatutory recommendations contained in the  
22 Sunset Review: Evaluation of the State Board of Morticians and Funeral Directors  
23 conducted by the Department of Legislative Services.

24 SECTION 3. AND BE IT FURTHER ENACTED, That:

25 (1) The Board of Morticians and Funeral Directors shall notify the  
26 Senate, Education, Health, and Environmental Affairs Committee and the House  
27 Health and Government Operations Committee of the resolution in the matter of  
28 Charles Brown, et al. v. David Hovatter, et al.

29 (2) Within 6 months after the matter of Charles Brown et al. v. David  
30 Hovatter, et al. is resolved the Board of Morticians and Funeral Directors shall submit  
31 a report to the Senate Education, Health, and Environmental Affairs Committee and  
32 the House Health and Government Operations Committee, in accordance with §  
33 2–1246 of the State Government Article, on:

34 (i) any proposals to alter the laws or regulations regarding  
35 corporate licenses;

1                   (ii) whether a surviving spouse or executor license is still  
2 necessary; and

3                   (iii) whether the requirement that an individual be a licensed  
4 mortician to qualify for a funeral establishment license is necessary.

5           SECTION 4. AND BE IT FURTHER ENACTED, That, on or before December 1,  
6 2008, and each year thereafter, the Board of Morticians and Funeral Directors shall  
7 report to the Senate Education, Health, and Environmental Affairs Committee and  
8 the House Health and Government Operations Committee, in accordance with §  
9 2-1246 of the State Government Article, regarding effectiveness of pre-need  
10 regulations.

11           SECTION 5. AND BE IT FURTHER ENACTED, That, on or before December 1,  
12 2010, the Board of Morticians and Funeral Directors shall submit a report to the  
13 Senate Education, Health, and Environmental Affairs Committee and the House  
14 Health and Government Operations Committee, in accordance with § 2-1246 of the  
15 State Government Article, on the outcome of reestablishing the funeral director license  
16 including the number of: (1) students enrolled in the funeral director program at the  
17 Community College of Baltimore County; (2) applicants for a funeral director  
18 apprenticeship license; and (3) funeral director licenses issued.

19           SECTION 6. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 2008.