

Department of Legislative Services
 Maryland General Assembly
 2015 Session

FISCAL AND POLICY NOTE

House Bill 190 (Delegate Krebs, *et al.*)
 Health and Government Operations

Office of Cemetery Oversight - State Board of Morticians and Funeral Directors
 - Crematories - Fees

This bill prohibits the Director of the Office of Cemetery Oversight in the Department of Labor, Licensing, and Regulation (DLLR) from charging a registered cemeterian or holder of a permit to engage in the operation of a cemetery an additional fee for registration as a crematory operator or issuance of a permit to operate a crematory. The State Board of Morticians and Funeral Directors in the Department of Health and Mental Hygiene (DHMH) is likewise prohibited from charging a licensee an additional fee for registration as a crematory operator or issuance of a permit to operate a crematory. The bill requires the director and the board to jointly adopt substantively similar regulations to reflect this prohibition. The regulations may be different in accordance with differences between the laws governing the office and the board.

Fiscal Summary

State Effect: Special fund revenues for DHMH and DLLR decrease in total by \$61,900 in FY 2017 and 2019 from foregone renewal fees from existing permit holders and registrants. Of that amount, \$57,250 is DHMH special funds and \$4,650 is DLLR special funds. Special fund revenues for both DHMH and DLLR further decrease beginning in FY 2016 from foregone fees for new permit holders and registrants. Expenditures are not affected. To the extent that the foregone revenues creates operating deficits for the board and office, other fees charged to funeral directors, morticians, cemeterians, crematory operators, and other entities may increase.

(in dollars)	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
SF Revenue	(-)	(\$61,900)	(-)	(\$61,900)	(-)
Expenditure	0	0	0	0	0
Net Effect	\$0	(\$61,900)	\$0	(\$61,900)	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal. The bill applies to a limited number of small businesses.

Analysis

Current Law/Background: The regulation of crematories in the State is shared between the Office of Cemetery Oversight in DLLR and the State Board of Morticians and Funeral Directors in DHMH. A crematory is regulated either by the office or the board based on the crematory's ownership. The office and the board regulate facilities in which their registrant or permit holders or licensees hold the majority of ownership. Independent or free-standing crematories are subject to the jurisdiction of the office.

Chapter 450 of 2010 required the office and board to establish a process for regulating crematories that provides for registration and issuance of permits or licensure, as appropriate based on the regulatory entity. The regulations were adopted in August 2014. For crematories regulated by both the office and the board, the fee for a crematory permit is \$350 and the fee for a registered crematory operator permit is \$300. Renewal fees are the same as the initial fees. There is no exemption from the fee requirement for entities and individuals otherwise regulated by the office or board. Permits must be renewed every two years. The office and the board are each funded by a special fund.

State Revenues: Currently, 4 crematories are regulated by the office and 35 are regulated by the board. The bill applies to all but one of these crematories (the single exception is regulated by DLLR). DHMH advises that it regulates approximately 150 registered operators. As the permits and registrations were just recently issued in fiscal 2015, the majority of renewal fees are collected in odd-numbered fiscal years. Assuming a similar ratio of permit holders for the crematories regulated by the office, special fund revenues for DHMH and DLLR decrease in total by \$61,900 in fiscal 2017 and 2019 from foregone renewal fees from existing permit holders and registrants. Of that amount, \$57,250 is DHMH special funds and \$4,650 is DLLR special funds. Special fund revenues further decrease beginning in fiscal 2016 from foregone fees for new permit holders and registrants.

Statute requires that fee revenue approximate the cost of regulating the entities. To the extent that the foregone revenues results in operating deficits, other fees for funeral directors, morticians, cemetarians, crematory operators, and other entities may increase by a commensurate amount.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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md/mcr

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