

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 555

(Delegate Kipke)

Health and Government Operations

Finance

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**Office of Cemetery Oversight - Perpetual Care Trust Funds - Report Submission Requirement**

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This bill extends – from 120 to 150 days – the timeframe within which a person subject to perpetual care trust fund requirements must submit a report to the Director of Cemetery Oversight after the close of each calendar year.

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**Fiscal Summary**

**State Effect:** The bill does not materially affect State finances or operations.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Two types of trust funds related to cemetery services are regulated by the Office of Cemetery Oversight: perpetual care trust funds and preneed trust accounts. Generally, sellers of perpetual care and preneed services must place in trust a portion of the cost or sale price of the goods or services shortly after the time of sale.

“Perpetual care” means the maintenance, including the cutting of grass abutting memorials or monuments, as well as the administration, supervision, and embellishment of a cemetery and its grounds, roads, and paths. Additionally, it includes the repair and renewal of buildings, including columbaria and mausoleums, and the property of the cemetery. “Preneed services” means services that are sold before the buyer’s death and in connection with a burial, and includes opening and closing a grave.

A similar reporting requirement exists for both perpetual care trust funds and preneed trust accounts, including that persons subject to the trust requirements must submit a report to the Director of Cemetery Oversight after the end of each calendar year. The timeframe is 150 days for preneed trust accounts and 120 days for perpetual care trust funds.

The bill applies *solely* to the reporting requirement for perpetual care trust funds, which must be (1) on the form that the director requires; (2) certified by a certified public accountant; (3) accompanied by a trustee's annual summary statement of assets for the reporting period that includes specified fund balance and transaction information; and (4) accompanied by a \$25 filing fee. It must also include additional identifying information.

**Background:** The Office of Cemetery Oversight was established by Chapter 675 of 1997. The office registers and regulates the cemetery and burial goods industry in the State under the leadership of a director. An advisory council serves as a source of expertise for the director and provides insight into the needs of the business community and the consumers served by the industry. The Cemetery Oversight Fund was established as a continuing, nonlapsing special fund to cover the documented direct and indirect costs of fulfilling the statutory and regulatory duties of the office.

Chapter 17 of 2015 extended – from 120 to 150 days – the timeframe within which a seller of preneed burial contracts must submit a report to the director after the close of each calendar year.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 536 (Senator Klausmeier) - Finance.

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

**Fiscal Note History:** First Reader - February 22, 2016  
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