

Department of Legislative Services
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FISCAL AND POLICY NOTE
First Reader

Senate Bill 57 (Senator Simonaire)

Education, Energy, and the Environment and
Finance

**Funeral Establishments, Crematories, and Reduction Facilities - Disposition of
Unclaimed Remains - Veterans**

This bill establishes requirements in the Business Regulation Article that conform to those already in place in the Health Occupations Article. Accordingly, the bill requires, under the Business Regulation Article, a licensed funeral establishment, crematory operator, or reduction facility to take specified actions if a veterans service organization does not take possession of unclaimed cremains, hydrolyzed remains, or a portion of unclaimed soil remains that qualify for a lot in a State veterans' cemetery. The bill also makes a further conforming change to the Health Occupations Article, with regard to unclaimed hydrolyzed remains of veterans.

Fiscal Summary

State Effect: Department of Veterans and Military Families (DVMF) expenditures (general and federal funds) may increase by an indeterminate but minimal amount beginning in FY 2026 for any additional burials at State veterans' cemeteries, as discussed below. If so, DVMF federal fund revenues increase by an indeterminate but minimal amount beginning in FY 2026, as discussed below.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: Under the Business Regulation Article, if a veterans service organization does not take possession of unclaimed cremains or hydrolyzed remains that qualify for a

lot in a State veterans' cemetery within 10 days after the licensed funeral establishment or crematory permit holder receives notification (as required from that organization about eligibility for burial in a veterans' cemetery), the licensed funeral establishment or permit holder must (1) notify DVMF of the status of the cremains or hydrolyzed remains for the purpose of appropriate disposition and (2) transfer the cremains or hydrolyzed remains to DVMF for appropriate disposition.

Similarly, under the Business Regulation Article, if a veterans service organization does not take possession of a portion of unclaimed soil remains that qualifies for a plot in a State veterans' cemetery within 10 days after the reduction facility receives notification (as required from that organization about eligibility for burial in a veterans' cemetery), the reduction facility must (1) notify DVMF of the status of the soil remains for the purpose of appropriate disposition; (2) transfer the soil remains to DVMF for the purpose of appropriate disposition; and (3) if authorized by the cemetery or owner, transfer the balance of the soil remains to a cemetery or the owner of a woodland protected under the Forest Conservation Act (FCA).

Current Law: Requirements related to the final disposition of human bodies are established under the Health – General Article. Also, in Maryland, cremation is regulated either by the Office of Cemetery Oversight (OCO) within the Maryland Department of Labor (under the Business Regulation Article) or the State Board of Morticians and Funeral Directors within the Maryland Department of Health (under the Health Occupations Article), based on ownership of the crematory or reduction facility. Specifically, OCO and the board each regulate facilities in which their registrants/permit holders or licensees hold majority ownership. As part of their joint oversight of crematories and reduction facilities, OCO and the board must adopt identical regulations.

Cremated, Hydrolyzed, and Soil Remains

The Business Regulation and Health Occupations articles generally mirror each other with regard to cremated, hydrolyzed, and soil remains.

In general, “cremation” means the disposition of a dead human body by means of incineration. A “crematory” means a building, portion of a building, or structure that houses the necessary appliances and facilities for cremation or alkaline hydrolysis. Cremains are the cremated remains following the process of cremation.

“Hydrolyzed remains” means the bone fragments produced by the completion of alkaline hydrolysis. “Alkaline hydrolysis” means the process of reducing human remains using water, alkaline chemicals, and heat inside a watertight vessel to accelerate decomposition.

“Soil remains” means the soil produced at final disposition of a dead human body at a reduction facility by completion of natural organic reduction. “Natural organic reduction” means the contained accelerated conversion of human remains into soil. “Reduction facility” means a building, portion of a building, or structure that houses the necessary appliances, containers, and facilities for performing natural organic reduction.

A person may not use or dispose of soil remains produced by natural organic reduction (1) on public or private property without the prior permission of the owner of the public property, the surviving owners of public record of the private property, or if the decedent was sole owner of the property at death, the authorizing agent; (2) by using the soil remains to grow food for consumption by humans or livestock; (3) by selling or reselling the soil remains to a third party; or (4) by combining or incorporating the soil remains into compost offered for sale to consumers or for commercial or agricultural purchasers. Unless a funeral establishment or cemetery has otherwise agreed in writing, a reduction facility that produces soil remains is responsible for providing for the final disposition and disposal of the soil remains in accordance with written direction given by an authorizing agent.

Remains of Veterans

A licensed funeral establishment or crematory in possession of cremated human remains or hydrolyzed remains that have been unclaimed for 90 days or more must provide identifying information of the unclaimed remains to a veterans service organization in order for the organization to determine if the unclaimed remains are those of a veteran or an eligible dependent. Within 45 days of receipt of the information, a veterans service organization must notify the licensed funeral establishment, crematory permit holder, or reduction facility whether the remains are those of a veteran or an eligible dependent and, if so, whether the veteran or eligible dependent is eligible for burial in a veterans’ cemetery. If the unclaimed remains are those of a veteran or an eligible dependent, the licensed funeral establishment or crematory may transfer the remains to a veterans service organization for the purpose of disposition of the cremains or hydrolyzed remains.

Likewise, a reduction facility in possession of human remains that are being processed by natural organic reduction must provide identifying information to a veterans service organization within five business days after natural organic reduction is initiated to determine if the soil remains are those of a veteran or eligible dependent. This requirement does not apply if an authorizing agent directs otherwise, or a reduction facility reasonably concludes based on the identifying information or other evidence that a decedent does not qualify for disposition benefits associated with veteran status. If the unclaimed soil remains are those of a veteran or an eligible dependent, the reduction facility may (1) transfer a portion of the soil remains – not exceeding 300 cubic inches in volume – to a veterans service organization that grants permission for the purpose of disposition and (2) if

authorized by the cemetery owner, transfer the balance of soil remains to a cemetery or the owner of a woodland protected under FCA.

These provisions are contained in both the Business Regulation and Health Occupations articles. The Health Occupations Article contains additional provisions that require the transfer of cremains, hydrolyzed remains, or unclaimed soil remains to DVMF under specified circumstances – as established in the Business Regulation Article by this bill.

State Veterans' Cemeteries

DVMF is authorized to establish one or more cemeteries in the State for the burial of veterans and their eligible spouse or dependents as authorized by the Secretary of Veterans and Military Families. DVMF's Cemetery Program operates and maintains five veterans' cemeteries to provide for their interment.

DVMF must bury the veteran without charge. To qualify for a plot in the State veterans' cemetery, the applicant must be a veteran who meets the requirements for burial at a national veterans' cemetery or an eligible spouse or dependent of a veteran who meets specified requirements. In addition, if the applicant is a veteran, the veteran must also have been a resident of the State (1) when the veteran entered the U.S. Armed Forces; (2) when the veteran died; or (3) for two years, unless, for a reason that DVMF finds compelling, DVMF waives the time period. In a plot that is allotted to a veteran, DVMF must bury the veteran and any member of the immediate family who is an eligible spouse or dependent of the veteran if the family member can be buried in a space above or below the veteran or in the next available plot.

State Fiscal Effect: The bill makes it more likely that unclaimed cremains, hydrolyzed remains, or soil remains in the possession of crematories or reduction facilities (those that are regulated under the Business Regulation Article) are transferred to DVMF for the purpose of appropriate disposition under specified circumstances. DVMF advises that the U.S. Department of Veterans Affairs (USVA) reimburses the department for a plot allowance in the amount of \$978 for the interment of a *veteran*. The plot allowance covers the cost of the burial and for perpetual care of the cemetery; the plot allowance increases annually. USVA does not reimburse for costs associated with the burial of veterans' dependents.

Therefore, DVMF general and federal fund expenditures may increase beginning in fiscal 2026 for costs associated with burying additional veterans and veterans' dependents. However, any costs associated with *veteran* burials are reimbursed by USVA, resulting in a corresponding increase in federal fund revenues and no net impact on DVMF. Any costs associated with burials for *dependents of veterans* does not qualify for reimbursement from

USVA, and results in no corresponding increase in federal fund revenues. The fiscal 2026 budget as introduced does not include funds for the interment of veterans' dependents.

The number of unclaimed cremains, hydrolyzed remains, or soil remains transferred to DVMF under the bill cannot be readily estimated. However, *for illustrative purposes only*, DVMF estimates that the department could take possession of the unclaimed cremains or remains of approximately five veterans and five veterans' dependents annually. Under this assumption, DVMF general fund expenditures would increase by approximately \$5,000 annually beginning in fiscal 2026 to cover the cost of burial for the unclaimed cremains or remains of veterans' dependents.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of the Environment; Maryland Department of Health; Maryland Department of Labor; Department of Natural Resources; Department of Veterans and Military Families; Department of Legislative Services

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