

## **Support SB104**

Senator Ronald Young - 2020 Legislation

### **Sponsor Testimony**

**SB104 - Office of Cemetery Oversight - Cemetery Financial Statements - Requirements**

SB104 allows cemetery operators in the State that have been in operation for a minimum of 5 consecutive years to elect to submit either the business' federal tax returns, or a financial stability report. This would amend current Maryland Code Section 5-304 which requires the submissions of bi-annual "CPA reviewed" balance sheets to the Maryland Office of Cemetery Oversight.

Requiring both the federal tax returns and a financial stability report is an onerous and redundant regulation that costs cemetery operators \$12,000 - \$16,000. This is a drain, not only on financial resources, but of cemetery staff resources as well.

By permitting a cemetery operators to elect to submit to one report for the purpose of establishing financial stability, this saves those businesses from performing a redundant task that does not reveal any new information regarding that cemetery business' financial stability.

It is worth noting that multiple cemetery operations within my district have stated their support for this legislation, including the non-profit Mt. Olivet Cemetery, where Francis Scott Key, the author of our National Anthem is buried.

The idea for this bill came to us from a constituent who has been a successful cemetery operator for many years, and is rightfully seeking an end to this onerous and unnecessary regulation.

**I urge you a favorable report on SB104**



Senator Ronald Young  
James Senate Office Building  
Room 301  
Annapolis, MD 21401

Dear Senator Young:

At a meeting held on Thursday, January 16, 2020, the Board of Directors of Frederick's Mount Olivet Cemetery, Frederick, Maryland voted unanimously in favor of Senate Bill 104, which you introduced on January 8, 2020.

Two of our Board members are accountants and stressed the opportunity this legislation will create huge savings in professional accounting fees that would otherwise be spent into the future, while still maintaining a fair and clear accurate assessment of Mount Olivet's financial status.

Historic Mount Olivet Cemetery is a not for profit cemetery, established in 1852 by an act to incorporate cemeteries in the State of Maryland. Since that time, Mount Olivet has had over 40,000 interments, 4,000 of which are veterans from the American Revolution, Civil War, World Wars up through present day conflicts. Mount Olivet has some of the earliest burials in the state of Maryland, including our first-elected governor, Thomas Johnson, Jr. Mount Olivet has also been the recipient of removals from various other church graveyards once located in downtown Frederick and the surrounding area. With the increased cost of maintaining Mount Olivet, this bill will help greatly in alleviating this expense.

Thank you for presenting this bill, and we look forward to a favorable decision.

Yours truly,

A handwritten signature in dark ink, appearing to read "Tim", written in a cursive style.

George T. Horman  
President, Board of Directors



Delores G. Kelley, Chair  
Senate Finance Committee  
3 East, Miller Senate Building  
11 Bladen Street  
Annapolis, MD 21401-1991

RE: SB104

January 17, 2020

Dear Senator Kelly,

The amendment to Section 5-303 of the Annotated Code of Maryland Business Regulation would allow cemeteries licensed by the Office of Cemetery Oversight to provide far more disclosure to the consumer than the current Financial Stability Report.

We do not object to the two annual financial audits that are required, in fact we support them. They are the audit of our Perpetual Care Fund and the audit of our Merchandising Trust Fund. These two audits are reasonable and protect the interest of our over 10,000 cemetery lot owners. It is the third requirement, a Financial Stability Report that could be improved by allowing certain cemeteries to substitute their income Tax Return instead of the Financial Stability Report.

As you know, an Income Tax Return will disclose far more financial information to the consumer than a Financial Stability Report.

Respectfully,

Richard F. Cody  
Chairman

CC Senator Ronald N. Young  
CC Office of Cemetery Oversight