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To Whom It May Concern:

The concerns regarding the ownership and control of funeral homes and crematories by religiously oriented not-for-profit organizations are indeed serious and merit consideration. The potential for religious exemptions could pose risks by allowing certain organizations to bypass critical consumer protection regulations, leading to disparities in service quality and accountability. This concern is heightened by the example of Heaven Bound Cremation Services' recent closure, which highlights the importance of maintaining strong oversight and sound financial management in this industry.

The closure of Heaven Bound serves as a reminder that even well-meaning not-for-profit organizations can falter without sufficient resources, oversight, and operational stability. In areas like Montgomery County, where the cost of doing business is high, not-for-profit funeral homes may face difficulties in maintaining the level of service required to meet consumer expectations and comply with state laws. This financial strain could result in cutting corners, potentially compromising consumer safety and public health, which is a significant concern for the community.

On the other hand, for-profit funeral homes generally have the financial stability to meet regulatory requirements, invest in necessary equipment, and adhere to high industry standards. Their ability to provide transparency, accountability, and consistent service can often translate to a higher level of consumer protection. While the intent behind not-for-profit funeral homes is to offer affordable options, it's essential that they are held to the same regulatory standards as their for-profit counterparts to ensure that affordability does not come at the expense of quality or safety.

There is a lack of evidence and research to support the proposed bill that would allow not-for-profit funeral homes to enter the market. The absence of comprehensive, data-driven evidence is a significant concern, especially when advocating for a shift in policy that could potentially disrupt the long-standing and well-established practices of for-profit funeral homes in Maryland. Without robust research demonstrating clear benefits for communities, the argument in favor of this change seems less compelling.

The economic impact of this shift cannot be overlooked. For-profit funeral homes have become integral to the local economy, employing people and contributing to the community in various ways. Introducing not-for-profit funeral homes, especially those potentially backed by religious institutions, could shift the financial landscape. It could divert resources from existing funeral homes, weakening the long-standing, stable relationships they have cultivated with their clients. The potential for religious institutions to enter the competitive landscape of funeral services may also create new economic challenges for the broader industry.

The lack of solid research and the absence of comprehensive community feedback from key stakeholders, particularly faith communities, raises doubts about the wisdom of pursuing this bill. Until there is more evidence to show the necessity and potential benefits of not-for-profit funeral homes, and a broader consensus that includes the voices of all affected parties, the rationale for such a legislative change appears weak and potentially disruptive to Maryland's trusted funeral industry.

This proposed legislation could have significant implications for funeral establishments and consumer protection in Maryland.

- **Senate Bill 0957 (2025) and House Bill 1051 (2025)** are proposing to allow unlicensed individuals to operate a Not-for-Profit Corporation as a funeral establishment.
- This would potentially violate **Section 7-309 of the Health Occupations Article of the Annotated Code of Maryland**, which likely sets forth requirements for licensed funeral directors to oversee funeral establishments.
- The concern is that the Maryland legislature previously enacted these restrictions to ensure that funeral establishments are run by professionals who are licensed, aiming to protect consumers from potential malpractice or unethical practices in the industry.

This move could be controversial, as the legislature's prior action (banning unlicensed individuals from owning such businesses) was intended to safeguard the public. Allowing unlicensed individuals to operate funeral establishments might dilute oversight and could lead to practices that aren't in line with the standards for care and ethics that licensed professionals are bound by.

Brown III v. Hovatter is a significant legal precedent regarding the regulation of funeral establishments in Maryland, especially concerning the ownership of such establishments by licensed funeral directors.

- **The Challenge to Ownership Restrictions:** In 2007, the constitutionality of Maryland's law, which limits the ownership of funeral establishments to licensed funeral directors, was challenged in federal district court and later appealed to the U.S. Court of Appeals for the 4th Circuit in 2009.
- **The Ruling:** The 4th Circuit Court of Appeals ruled in favor of the Maryland law, upholding the restriction that only licensed funeral directors could own funeral establishments. The court found the law to be a valid and necessary regulation that served the public interest in protecting consumers.

- **Supreme Court Refusal:** The Plaintiffs, who sought to overturn the decision, petitioned the U.S. Supreme Court to hear the case. However, the Supreme Court refused to hear the appeal, effectively letting the 4th Circuit's ruling stand.

The 4th Circuit's ruling reinforced the idea that restricting ownership to licensed individuals in the funeral industry serves important public interests, such as ensuring ethical business practices, protecting consumers from potential exploitation, and upholding professional standards.

This case set a significant legal precedent, reaffirming that states have the authority to regulate the ownership of funeral establishments as a way to safeguard consumers.

Allowing unlicensed individuals to own funeral establishments contradicts the principles upheld in **Brown III v. Hovatter** and undermines consumer protection efforts.

The education, training, and licensing requirements that individuals must undergo to become licensed funeral directors in Maryland are tied to consumer protection.

For unlicensed individuals who wish to own and operate a funeral home, the pathway is clear:

- **Education:** They must attend mortuary science school, studying subjects like human anatomy, microbiology, thanatology (the study of death), business management, mortuary law, and funeral principles.
- **Apprenticeship:** They must complete a one-year apprenticeship, gaining hands-on experience under a licensed funeral director.
- **Licensing:** After the educational and apprenticeship requirements, they must undergo a criminal background check and apply to the Board of Morticians to assess their knowledge, character, and fitness.
- **Certification:** Once they pass the licensing process, they can either run a non-profit funeral home or buy a corporate license to run a profit-oriented one.

This extensive process ensures that funeral directors are well-prepared to handle the responsibilities associated with death care, which includes knowledge of both the technical aspects (e.g., embalming, body care) and the emotional and legal facets of the profession (e.g., family interactions, legal regulations, ethical practices). The training is not just about running a business but also about caring for people during one of the most difficult times in their lives.

As the court cited in the **Brown III** case, the Maryland General Assembly had a rational basis for limiting funeral home licenses to licensed individuals. Here's why:

- **Accountability:** Licensed individuals are personally accountable for their actions, which enhances the degree of oversight and regulation. Unlike corporations, which can shield individuals from personal responsibility, licensing individuals ensures that there's a clear line of accountability for the operation of a funeral home.
- **Consumer Protection:** The legislative judgment to limit ownership to licensed individuals was aimed at better protecting the health and welfare of the public. It allows

regulatory bodies, such as the Board of Morticians, to enforce standards, conduct inspections, and ensure ethical practices are upheld.

The current **Senate Bill 0957** and **House Bill 1051** seem to offer a shortcut for individuals who may not want to dedicate the time and effort necessary to go through the rigorous process of becoming a licensed funeral director. These individuals would be able to operate a funeral home without obtaining the qualifications that have historically been required.

This raises a few issues:

- **Quality of Care:** Without the education, training, and oversight that comes with licensing, there could be concerns about the quality of service provided to families during their time of grief.
- **Public Safety:** The educational requirements and legal training are not just about running a business but ensuring that funeral directors can handle complex situations involving public health, safety, and ethical decisions.
- **Undermining the Profession:** As you mentioned, proponents of the bill may want to bypass years of education and training, potentially undermining the standards and ethical obligations that have been developed over time in the profession.

The bills, in effect, can be seen as offering a shortcut to benefits that professionals in the field have worked hard for throughout their careers. Funeral service professionals spend years acquiring the necessary expertise, building reputations for ethical behavior, and maintaining accountability to their communities. Allowing unlicensed individuals to run funeral homes could potentially diminish the integrity of the profession and put consumers at risk.

There are potential risks posed by proposed shifts in regulation.

The funeral home industry in Maryland is carefully regulated to protect consumer interests, ensuring that families receive the best care during a difficult time. These regulations cover:

- **Ethical standards:** Funeral homes are required to adhere to strict ethical guidelines that protect families from exploitation or malpractice.
- **Transparency:** There are rules in place that ensure clear pricing and transparency, allowing families to make informed decisions about funeral services.
- **Health and Safety:** Regulation ensures that funeral homes follow sanitary practices, meet health standards, and provide safe and professional care for the deceased and their families.

These protections are vital for ensuring that the industry remains accountable to the public and provides the highest level of service.

The existing framework allows for-profit funeral homes to operate within a competitive environment, benefiting both consumers and the market:

- **Market competition:** For-profit funeral homes drive innovation, pricing strategies, and service improvements by competing to offer the best services at competitive rates.
- **Trusted legacy businesses:** Many established for-profit funeral homes have built **decades of trust** with families in Maryland. Their experience and longstanding commitment to their communities ensure a high level of expertise, quality, and compassion.
- **Affordable services:** Despite being for-profit, these businesses have shown the ability to provide affordable services while maintaining quality care, showing that profitability doesn't necessarily lead to exploitation.

The shift towards not-for-profit funeral homes, as proposed in Senate Bill 0957 and House Bill 1051, may introduce several challenges:

- **Disruption of established business models:** Established for-profit funeral homes with decades of service could face new competition from not-for-profit entities, which might alter the dynamics of the market.
- **Reduction of employment opportunities:** Not-for-profit organizations may have different business structures that could lead to fewer job opportunities or lower wages for those in the industry. For-profit funeral homes, by nature, often have larger operations, which can result in a broader range of employment and career advancement options.
- **Increased costs:** Ironically, the shift toward a not-for-profit model could raise costs for consumers due to reduced competition, fewer operational efficiencies, and changes in how services are structured. For-profit companies are incentivized to keep costs competitive, while not-for-profit entities may not have the same focus on cost efficiency.

Furthermore, the funding mechanisms of not-for-profit businesses may result in inefficiencies or potential financial instability, which could harm the very families the regulation aims to protect.


The current regulatory framework already ensures that funeral homes are operating at a high standard, protecting families from exploitation while allowing for business innovation and flexibility. The Board of Morticians is already tasked with overseeing the industry, ensuring ethical practices, and protecting consumer interests. This oversight has been tested and proven through cases like **Brown III v. Hovatter**, which reinforced the necessity of stringent regulations.

At the heart of these concerns is the wellbeing of Maryland families, who deserve affordable, compassionate care during a difficult time. The current system, which supports both accountability and competition, has been effective in striking a balance between keeping costs reasonable and ensuring families have access to high-quality services.

In conclusion, the proposed shift towards allowing unlicensed individuals to operate funeral establishments, especially under a not-for-profit model, could disrupt this balance. While the intent may be to offer more options or create an alternative business structure, the existing regulatory framework seems to be functioning well in protecting both consumer interests and the stability of the funeral service industry. For-profit funeral homes have demonstrated that they can

operate responsibly, ethically, and in a way that fosters competition and provides quality services at affordable prices.

Very truly yours,


William A. Pumphrey
Vice President/General Manager