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Health and Government Operations Committee

House Chair
Joint Committee on Cybersecurity,
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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Testimony in Support of HB 1051: Morticians and Funeral Directors - Not-For-Profit Funeral Establishments March 10, 2025

Madam Chair Peña-Melnyk and distinguished members of the Health and Government Operations committee, it is my pleasure to come before you and offer testimony in favor of **HB 1051**. This bill allows for the establishment of not-for-profit funeral homes, creating a licensing option and a regulatory structure aligned with current corporate funeral establishment licenses.

Funerals cost more in Maryland than in most other states—in part due to a law passed in 1945 that restricts funeral home ownership to funeral directors, morticians, and 59 corporate charters that were grandfathered in. While successful in protecting the small business interests of family-owned funeral homes, the restrictions have driven up funeral costs, leaving many low-income Marylanders without affordable death care options. On average, funerals in Maryland cost \$9,900, more than \$2,000 above the national average, according to data compiled from the National Funeral Directors Association's Annual Reports and the Bureau of Labor Statistics. While most funeral homes do offer a range of services at different price points, low-income families are still forced to choose between the lower cost options (often cremation) or burial assistance programs from the state.

Maryland's current funeral industry structure limits competition and consumer choice. In fact, in 2004, the Federal Trade Commission recommended lifting the ownership restrictions entirely. As we understand the concerns around letting large corporations into this industry, we designed this bill to create a **small opening** within the industry for funeral home ownership by **eligible not-for-profit organizations**. These funeral homes will be regulated by the same standards required of corporate owned funeral homes and cannot operate without employing a licensed mortician and/or funeral director.

Not-for-profit funeral homes, including those established by cooperatively owned and religious organizations, are already legal in 20 other states. In Maryland, the not-for-profit structure is used by many industries including hospitals, schools, religious organizations, cemeteries, veterinary clinics, farms, caterers, and bakers. The success of these models across various sectors demonstrates that not-for-profit funeral homes have the potential to create a vital change in Maryland's funeral industry.

I urge a favorable report on **House Bill 1051**. Thank you.