



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

Maryland Board of Morticians & Funeral Directors
4201 Patterson Ave
Baltimore, Maryland 21215

2026 SESSION POSITION PAPER

BILL NO: HB 698
COMMITTEE: Health
POSITION: Support with Amendment

TITLE: State Board of Morticians and Funeral Directors - Board Operations and Regulation of Crematories and Reduction Facilities

BILL ANALYSIS: This Bill transfers the authority to regulate certain crematories and reduction facilities from the Office of Cemetery Oversight to the State Board of Funeral Directors; renames the Board; alters the circumstances under which the Governor may remove an appointed member of the Board; and alters the quorum of the Board.

POSITION AND RATIONALE: The Maryland Board of Morticians and Funeral Directors (the “Board”) supports HB 698 with **amendments listed on pages 4-6 of this document.**

The Bill proposes substantial revisions to the statutory framework governing the Maryland State Board of Morticians and Funeral Directors, with a particular focus on board operations and the regulation of crematories and reduction facilities. The bill contains a number of constructive provisions that enhance enforcement authority, establish reinstatement mechanisms, and strengthen consumer protection.

However, several sections of the bill raise policy and operational concerns that merit careful consideration. Without further clarification or amendment, these provisions may place responsibilities on the Board that exceed its expertise, strain existing resources, or create unintended regulatory consequences. One such concern is the proposed name change to the Board. The Board has a history of overseeing crematories in the state and there has been no ambiguity or confusion over the Board’s current name for that responsibility. The Board currently has oversight over 43 crematories – as opposed to 4 that are under the Office of Cemetery Oversight. The Bill proposes that those 4 be moved under the Board for oversight. This does not rise to the need for a name change, which will result in indeterminable expense for the Board.

The Board supports the amendments that:

- Clarify statutory language and remove ambiguity regarding the regulation of

- crematories and reduction facilities;
- Establish clear reinstatement pathways for lapsed operator registrations and facility permits when no unlawful practice has occurred;
- Increase civil penalties to amounts that better reflect the seriousness of violations involving the handling of human remains; and
- Grant the Board authority to seek injunctive relief and receivership in cases involving serious violations that threaten public health, safety, or consumer interests.

These provisions strengthen the Board's ability to fulfill its core mission of public protection while maintaining due process for regulated individuals and establishments.

The Board has significant concerns regarding § 7-3A-02(e), which requires an applicant for a crematory or reduction facility operator registration to demonstrate that the applicant is "financially stable." The statute does not define "financial stability," nor does it establish objective criteria for how that determination is to be made.

As drafted, this provision places sole responsibility on the Board to define, measure, and enforce a subjective financial standard for all applicants. This would require the Board to adopt criteria, review and analyze financial statements, and make determinations that are more appropriate within the purview of financial or accounting professionals.

The Board is not structured, staffed, or resourced to conduct in-depth financial assessments, and the absence of statutory guidance exposes the Board to inconsistent decision-making and potential legal challenges. If this requirement remains, the Board believes that:

- The statute must clearly define "financial stability" or provide objective benchmarks;
- Any financial documentation requirements must be explicitly identified; and
- The policy implications of requiring submission of full financial statements should be discussed in committee.

Absent these clarifications, the Board recommends that this provision be revisited.

The Board is also concerned with § 7-405, which appears to authorize crematory operators and reduction facility operators to engage in preneed contracts. This represents a significant policy shift. Preneed contracting has historically been closely regulated due to its financial, consumer protection, and trust-related implications. Allowing crematory and reduction facility operators to enter into preneed contracts raises questions regarding:

- Oversight and enforcement authority;
- Consumer protections and financial safeguards;
- Consistency with existing preneed regulatory frameworks; and
- The Board's capacity to regulate additional financial and contractual activity.

The Board believes this issue requires further discussion and stakeholder input before being codified in statute. The Board does not see language in the bill reflecting prior discussions that the Board should not function as a mediator in private disputes between licensees, permit holders, or consumers.

The Board's role is to regulate, license, and enforce statutory and regulatory requirements, not to resolve private contractual or civil disputes. Clear statutory language would help manage public expectations and preserve Board resources for core regulatory functions.

Finally, the bill expands the Board's regulatory and enforcement responsibilities without addressing the operational reality of staffing needs. The Board has previously discussed the necessity of two full-time inspectors to effectively oversee crematories, reduction facilities, funeral establishments, and licensees statewide. Without adequate inspection staff, the Board's ability to implement and enforce the expanded authorities contemplated by HB 698 will be limited. The Board recommends that staffing needs and associated fiscal impacts be formally acknowledged and addressed.

The Board supports the intent of HB 698 and many of its provisions. However, the issues identified above—financial stability determinations, preneed contracting authority, the Board's role relative to mediation, and inspection staffing—require further legislative consideration.

Accordingly, the Board respectfully submits a position of **Support with Amendments (on pages 4-6)** and urges the Committee to make a favorable vote on HB 698 to address these matters prior to final passage.

If you'd like further information, please contact the Board's Executive Director, Erika Malone, at Erika.malone1@maryland.gov or at (443)-826-3592; or Lillian Reese, Legislative Liaison at lillian.reese@maryland.gov or (443) 794-4757.

The opinion of the Board expressed in this document does not necessarily reflect that of the Department of Health or the Administration.

Amendment 1

On page 20, line 5, strike the brackets and “AND CREMATORIES” and lines 24-25 strike the brackets and “AND CREMATORIES”

Amendment 2

On page 26, line 25, strike the brackets and “AND CREMATORIES” and line 27 strike the brackets and “AND CREMATORIES”

Amendment 3

On page 30, lines 14 and 15, strike the brackets and “AND CREMATORIES” and line 26 strike the brackets and “AND CREMATORIES”

Amendment 4

On page 30, between lines 26-27, insert § 7-316(b)(2) and strike the “or” and substitute “AND”

Amendment 5

On page 34, line 27, insert a new 7-3A-08 and add:

“THE BOARD SHALL REINSTATE THE REGISTRATION OF AN INDIVIDUAL WHO HAS FAILED TO RENEW A CREMATORY OR REDUCTION FACILITY OPERATOR REGISTRATION FOR ANY REASON IF THE INDIVIDUAL:

- (1) REQUESTS THAT THE BOARD REINSTATE THE REGISTRATION;**
- (2) MEETS THE APPROPRIATE RENEWAL REQUIREMENTS OF THIS SUBTITLE;**
- (3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD; AND**
- (4) SUBMITS TO THE BOARD AN AFFIDAVIT STATING THAT THE INDIVIDUAL DID NOT OPERATE A CREMATORY OR REDUCTION FACILITY OR ACT AS A REGISTERED CREMATORY OR REDUCTION FACILITY OPERATOR IN THIS STATE WHILE THE LICENSE WAS EXPIRED.”**

Amendment 6

On page 34, line 27, strike 7-3A-08 and substitute 7-3A-09; on page 35, line 11, strike 7-3A-09 and substitute 7-3A-10; on page 35, line 14, strike 7-3A-10 and substitute 7-3A-11; on page 38, line 5, strike 7-3A-11 and substitute 7-3A-12; and on page 40, line 7, strike 7-3A-12 and substitute 7-3A-13

Amendment 7

On page 36, strike lines 17-27 in their entirety; on page 37, strike lines 1-5 in their entirety.

Amendment 8

On page 37, line 9, strike \$5,000 and substitute **\$10,000**; on line 11, strike \$500 and substitute **\$1,000**

Amendment 9

On page 38, strike lines 13-26 in their entirety

Amendment 10

On page 39, strike lines 4-9 in their entirety

Amendment 11

On page 44, line 1, insert a new 7-3B-06 and add:

“THE BOARD SHALL REINSTATE THE PERMIT OF A CREMATORY OR REDUCTION FACILITY PERMIT-HOLDER FOR ANY REASON IF THE PERMIT-HOLDER:

- (1) REQUESTS THAT THE BOARD REINSTATE THE REGISTRATION;**
- (2) MEETS THE APPROPRIATE RENEWAL REQUIREMENTS OF THIS SUBTITLE;**
- (3) PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD; AND**
- (4) SUBMITS TO THE BOARD AN AFFIDAVIT STATING THAT THE PERMIT-HOLDER DID NOT ENGAGE IN THE OPERATION OF A CREMATORY OR REDUCTION FACILITY.”**

Amendment 12

On page 44, line 1, strike 7-3B-06 and substitute 7-3B-07; on page 44, line 4, strike 7-3B-07 and substitute 7-3B-08; on page 46, line 22, strike 7-3B-08 and substitute 7-3B-09; and on page 48, line 26, strike 7-3B-09 and substitute 7-3B-10

Amendment 13

On page 45, strike lines 17-24 in their entirety

Amendment 14

On page 45, line 27, strike \$5,000 and substitute **\$10,000**; on line 29, strike \$500 and substitute **\$1,000**

Amendment 15

On page 47, strike lines 3-4 in their entirety, strike lines 5-16 in their entirety, and strike lines 25-31 in their entirety

Amendment 16

On page 55, between lines 24-25, insert new § 7-510:

A) (1) IF INDIVIDUAL OR ESTABLISHMENT REGULATED BY THIS BOARD IS CHARGED WITH A VIOLATION OF THIS TITLE THAT COULD RESULT IN SUSPENSION OR REVOCATION OF A LICENSE, PERMIT, OR REGISTRATION, THE BOARD MAY SEEK AN IMMEDIATE RESTRAINING ORDER IN A CIRCUIT COURT IN THE STATE TO PROHIBIT THE INDIVIDUAL OR HOLDER OF THE ESTABLISHMENT PERMIT FROM ENGAGING IN THE PRACTICE OF MORTUARY SCIENCE OR FUNERAL DIRECTION OR THE OPERATION OF A CREMATORY OR REDUCTION FACILITY.

(2) THE RESTRAINING ORDER IS EFFECTIVE UNTIL:

(I) THE COURT LIFTS THE ORDER; OR

(II) THE CHARGES ARE ADJUDICATED OR DISMISSED.

(B) IF HOLDER OF AN ESTABLISHMENT LICENSE OR PERMIT REGULATED BY THIS BOARD IS CHARGED WITH A VIOLATION OF THIS TITLE THAT COULD RESULT IN SUSPENSION OR REVOCATION OF A LICENSE, PERMIT, THE BOARD MAY PETITION A COURT TO:

(1) APPOINT A RECEIVER OR TRUSTEE TO TAKE CHARGE OF THE ASSETS AND OPERATE THE BUSINESS OF THE ESTABLISHMENT LICENSE OR PERMIT HOLDER IN THE EVENT THAT THE LICENSE OR PERMIT IS SUSPENDED OR REVOKES; AND

(2) TAKE ANY ACTIONS AS ARE APPROPRIATE TO PROTECT THE PUBLIC INTEREST.

Amendment 17

On page 55, lines 26-27, strike the brackets and “AND CREMATORIES”

