

SENATE BILL 957

J2

5lr3084
CF 5lr2926

By: **Senator Waldstreicher**

Introduced and read first time: January 28, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Morticians and Funeral Directors – Not-For-Profit Funeral Establishments**

3 FOR the purpose of altering the definition of “corporation” for the purpose of provisions
4 relating to the provision of mortuary sciences and the operation of a funeral
5 establishment to include a not-for-profit organization that is exempt from taxation
6 under a certain provision of federal law; authorizing the State Board of Morticians
7 and Funeral Directors to issue and renew a license to practice funeral direction to a
8 certain not-for-profit organization; and generally relating to not-for-profit funeral
9 establishments.

10 BY repealing and reenacting, without amendments,
11 Article – Health Occupations
12 Section 7–101(a)
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2024 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Health Occupations
17 Section 7–101(f), 7–309, and 7–310
18 Annotated Code of Maryland
19 (2021 Replacement Volume and 2024 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
21 That the Laws of Maryland read as follows:

22 **Article – Health Occupations**

23 7–101.

24 (a) In this title the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(f) (1) "Corporation" means [a]:

(I) A mortuary science business whose articles of incorporation are in good standing with the Maryland State Department of Assessments and Taxation, or its successor, the initial business for which the license is issued must have been incorporated on or before June 1, 1945 and have "Incorporated", "Inc.", or "Corporation" in its name; OR

(II) A NOT-FOR-PROFIT ORGANIZATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

(2) "Corporation" does not include, for purposes of issuing a corporation license, a "professional association" (P.A.) or a "professional corporation" (P.C.).

7-309.

(a) Except as otherwise provided by law, a corporation may not operate a mortuary science business and the Board may not issue a license to or list any corporation as licensed to operate a mortuary science business.

(B) THE BOARD MAY ISSUE A LICENSE TO A CORPORATION DEFINED IN § 7-101(F)(1)(II) OF THIS TITLE THAT:

(1) HAS THE STATED PURPOSE OF PRACTICING FUNERAL DIRECTION;

(2) SUBMITS AN APPLICATION ON A FORM REQUIRED BY THE BOARD;

AND

(3) PAYS A FEE SET BY THE BOARD.

[(b)] (C) The Board may renew only the license of a corporation that:

(1) (I) 1. On June 1, 1945, held a license issued by this State; AND

[(2)] 2. Has been renewed continuously since that date; OR

(II) WAS ISSUED A LICENSE UNDER SUBSECTION (B) OF THIS SECTION;

[(3)] (2) Submits an application on a form required by the Board; and

[(4)] (3) Pays a fee set by the Board.

[(c)] (D) Each application for renewal made by a corporation shall state the name and address of each officer and director of the corporation.

1 [(d)] (E) While a corporation license is effective, it authorizes a corporation to
2 operate a mortuary science business only if any practice of mortuary science that is
3 conducted for the corporation is practiced by a licensed individual.

4 [(e)] (F) A corporation may not operate a branch funeral establishment unless
5 [the]:

6 (1) **THE** branch funeral establishment was in operation on or before
7 October 1, 1964; **OR**

8 (2) **THE CORPORATION WAS ISSUED A LICENSE UNDER SUBSECTION**
9 **(B) OF THIS SECTION.**

10 [(f)] (G) If a corporation is sold, declares bankruptcy, or ceases to operate,
11 written notice must be submitted to:

12 (1) The Board, within 2 weeks of the occurrence, detailing the changes and
13 the arrangements for carrying out the pre-need contracts and disbursement of the money
14 held in escrow; and

15 (2) The holders of pre-need contracts advising them of their options under
16 Maryland law.

17 7-310.

18 (a) (1) A funeral establishment shall be licensed by the Board before the
19 establishment may be used for the preparation of the remains, viewing, or conducting of
20 services.

21 (2) The licensee may be restricted to operations as determined by the
22 Board.

23 (b) (1) To apply for a funeral establishment license, an applicant shall:

24 (i) Submit an application to the Board on the form that the Board
25 requires; and

26 (ii) Pay to the Board:

27 1. An application fee set by the Board; and

28 2. The fee established under § 7-4A-05(a) of this title.

29 (2) An application for a funeral establishment license shall be signed by a
30 licensed individual who [is]:

(I) IS not an apprentice but is the owner or co-owner of the establishment to be licensed; OR

(II) CONDUCTS THE PRACTICE OF MORTUARY SCIENCE OR FUNERAL DIRECTION FOR A NOT-FOR-PROFIT ORGANIZATION LICENSED UNDER § 7-309(B) OF THIS SUBTITLE.

(c) The Board shall issue a funeral establishment license to a funeral establishment that:

(1) Has complied with all applicable State and local laws; and

(2) Will be:

(i) Owned and operated in accordance with this title by [an]:

1. AN individual who is or a group of individuals in which each individual is:

[1.] A. A licensed mortician;

[2.] B. A licensed funeral director; or

[3.] C. A holder of a surviving spouse license; OR

2. A NOT-FOR-PROFIT ORGANIZATION THAT EMPLOYS:

A. A LICENSED MORTICIAN;

B. A LICENSED FUNERAL DIRECTOR; OR

C. A HOLDER OF A SURVIVING SPOUSE LICENSE;

(ii) Owned and operated in accordance with this title by a holder of a corporation license; or

(iii) Operated in accordance with this title by a holder of an executor license.

(d) Signs and advertisements of a funeral establishment shall display the name that appears on the establishment license.

(e) (1) Each licensed funeral establishment shall have a supervising mortician.

1 (2) A licensed funeral establishment shall designate a licensed mortician
2 whose license is in good standing with the Board to be the supervising mortician for the
3 funeral establishment.

4 (3) A licensed mortician designated to be the supervising mortician for a
5 funeral establishment shall complete the registration required by the Board.

6 (4) A mortician whose license is not in good standing in the State or any
7 other jurisdiction may not be a supervising mortician.

8 (5) The supervising mortician for a funeral establishment shall be:

9 (i) Held responsible for all activities performed on behalf of the
10 funeral establishment with the knowledge or at the direction of the supervising mortician;
11 and

12 (ii) Except as provided in paragraph (6) of this subsection, limited to
13 supervising:

14 1. One funeral establishment with an embalming facility;
15 and

16 2. No more than three funeral establishments total that are
17 within close enough proximity to each other to allow for oversight of each funeral
18 establishment.

19 (6) The limits on the number of funeral establishments a supervising
20 mortician may supervise as provided for in paragraph (5)(ii) of this subsection do not apply
21 if a funeral establishment prepares for the disposition of less than 75 bodies in a calendar
22 year.

23 (7) If a supervising mortician for a funeral establishment relinquishes the
24 supervising mortician's responsibility under paragraph (5)(i) of this subsection for any
25 reason, the funeral establishment shall name an interim supervising mortician who shall
26 be held responsible for all activities performed on behalf of the funeral establishment, with
27 the knowledge or at the direction of the interim supervising mortician, until a new
28 supervising mortician for the funeral establishment registers with the Board.

29 (f) A funeral establishment that uses a central preparation room at another
30 funeral establishment is not required to have its own preparation room or holding room.

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 October 1, 2025.