



# ***Funeral Consumers Alliance of Maryland and Environs***

*Protecting a consumer's right to a meaningful, dignified, and affordable funeral.*

## **HB 349 - Support with amendments**

### **Testimony for the Senate Finance Committee Of the Maryland General Assembly**

March 27, 2013

Submitted by Brian E. Ditzler, Vice President  
**Funeral Consumers Alliance of Maryland & Environs**

Chairman Middleton and Members of the Committee:

Thank you for the opportunity to provide testimony from the Funeral Consumers Alliance of Maryland and Environs (FCAME) in support of House Bill 349.

FCAME is the volunteer-run, regional chapter of the Funeral Consumers Alliance (FCA), the oldest and largest non-profit watchdog organization protecting the rights (and wallets) of grieving consumers. FCA's many chapters across the country are dedicated to: helping consumers be more informed about death care options, and protecting the public from fraud and abuse in cremation, funeral and burial transactions. FCA and its chapters take no money from the death care industry or government, and act as a voice for consumer interests.

House Bill 349 is a pro-consumer bill as it would correct some deficiencies in current regulations by increasing the penalties for violating regulations regarding perpetual care funds and preneed burial contracts at cemeteries.

Such changes would provide greater deterrence to illegal acts by cemetery owners and operators, strengthen the ability of the Office of Cemetery Oversight to ensure cemeteries are properly regulated, and lessen the likelihood the State and consumers will face the kinds of problems that occurred at Southern Memorial Gardens in Calvert County.

At present, violation of most regulations relating to perpetual care and preneed contracts (whether the first or subsequent violation) can bring a fine not exceeding \$1,000 or imprisonment not exceeding one year or both.

HB 349 as amended would increase the potential fine for first violations from \$1,000 to \$5000, with the potential fine and number of years of imprisonment

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increasing significantly for a second violation, with an even larger potential fine and more years of possible imprisonment for a third or subsequent violation.

An even more significant aspect of HB 349 is that it would make willful misappropriation or fraudulent conversion of perpetual care or preneed trust funds a felony. Potential violators, if found guilty, would be subject to a fine of up to \$25,000, imprisonment up to 10 years, or both.

While a fine of up to \$25,000 would be a dramatic increase, it is an almost insignificant amount when compared to how much is thought to have been stolen from consumers in the past such as at Southern Memorial Gardens.

FCAME is disappointed the bill passed by the House did not incorporate our suggested amendment that called for the recovery of misappropriated funds and creation of a mechanism to provide from the money recovered at least partial refunds to the actual consumers who lost money.

However, even without that amendment, we think the bill before you provides needed changes to current cemetery regulation, would be good for consumers in our state, and is deserving of your support.

The Funeral Consumers Alliance of Maryland & Environs urges this committee to issue a favorable report on HB 349 as amended.