

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6234

BILL NUMBER: HB 1046

NOTE PREPARED: Jan 15, 2010

BILL AMENDED:

SUBJECT: Natural Burial Cemeteries.

FIRST AUTHOR: Rep. Bischoff

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes conditions that a cemetery must meet to be classified as a natural burial cemetery. It requires the owner of a natural burial cemetery to deposit \$10,000 in the Perpetual Care Fund or Endowment Care Fund of the natural burial cemetery before lots may be sold or burials may occur. (Current law requires an initial deposit of \$100,000 in the Perpetual Care Fund or Endowment Care Fund of a new cemetery.)

Effective Date: July 1, 2010.

Explanation of State Expenditures: (Revised) The State Board of Funeral and Cemetery Service, which is staffed by the Professional Licensing Agency (PLA), would oversee the natural burial cemeteries. The Board might need to adopt or modify rules to allow for natural burial cemeteries. The PLA should be able to cover any additional expenses associated with rulemaking given its existing level of resources.

The PLA will also require additional training and may need to investigate natural cemeteries. Initially, the number of natural cemeteries is not expected to be high. Existing cemeteries might opt to apply for dual registrations, which would result in two applications and two application fees. The cemetery registration fee is \$100.

Explanation of State Revenues: (Revised) If a natural cemetery is not owned by an exempt entity and sells services or merchandise on a preneed basis, the cemetery would need to obtain a certificate of authority from the board. Obtaining a certificate of authority is of no cost initially. However, when the cemetery renews the annual certificate, the cemetery must disclose payments of contracts sold (IC 30-2-13-27) and pay to the board \$2.50 for each contract having a value of less than \$500; \$5 for each contract having a value of at least

\$500 and less than \$1,500; and \$10 for each contract having a value of \$1,500 or more. The board must deposit receipts in the Pre-need Consumer Protection Fund.

Money in the fund may be used to provide restitution to a seller who performs a defaulted contract, to a purchaser, or to a purchaser's estate for pecuniary loss arising from a trust or an escrow. Expenses of administering this fund are paid from money in the fund. The money in the fund and interest accruing to the fund remain in the fund and do not revert to the state General Fund.

Also, see *State Expenditures* above.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: PLA.

Local Agencies Affected:

Information Sources: State Board of Funeral and Cemetery Service, PLA; <http://www.in.gov/pla/2954.htm>;
Natural Burial Co-operative, <http://naturalburial.coop/USA>.

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