



NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

Legislative Fiscal Note

Short Title: Amend Funeral Laws.
Bill Number: House Bill 529 (First Edition)
Sponsor(s): Representatives Boles, Alexander, Hunter, and Brenden Jones

SUMMARY TABLE

FISCAL IMPACT OF H.B. 529, V.1 (\$ in millions)

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
Board Impact					
Board Revenue	-	-	-	-	-
Less Board Expenditures	-	-	-	-	-

NET LOCAL IMPACT	No Estimate Available - Refer to Fiscal Analysis section				
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FISCAL IMPACT SUMMARY

House Bill 529 makes several changes to the laws pertaining to the practice of funeral services. This fiscal note addresses only the fiscal impact associated with specific sections as described below.

Section 3 allows the North Carolina Board of Funeral Service to set and collect a late fee not to exceed \$50.00 for each work report filed by a resident trainee after the date the report is due.

Section 5 and Section 21 change the amount the Board may collect for an establishment re-inspection fee from \$100.00 to \$150.00.

Section 23 would allow the Board to license a person or entity to hydrolyze human remains and perform alkaline hydrolysis. The licensees would be subject to the current fee tables, which would be updated to include hydrolysis.

FISCAL ANALYSIS

The North Carolina Board of Funeral Service provided Fiscal Research with historical data relating to several of the proposed fee changes contained in House Bill 529.

In FY 2016-17, the Board collected a total of \$300.00 for re-inspection fees (3 re-inspections at \$100.00/per re-inspection). Assuming an average of 5 re-inspections per fiscal year would increase fee collections by a total of \$250.00.

The Board reports that, over the last 6 months, they have received 27 late work reports by trainees. Estimating 60 total late work reports per fiscal year would increase fee collections by \$3,000.00.

According to the National Funeral Directors Association, 2016 data shows that 50.2% of Americans opted for cremation as the method of final disposition of their human remains. They project that by 2030, 71.3% of Americans will choose cremation. However, since alkaline hydrolysis, often referred to as biocremation, flameless cremation, or water cremation, is a recently developed process, it is legal in only 14 states. In addition, it's not currently practiced in all of those states that have legalized it, due to high startup costs.

While there is the distinct possibility that fee collections will increase due to the legalization of alkaline hydrolysis, there isn't data available to assist in projecting if and when it would become a viable option in North Carolina.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

North Carolina Board of Funeral Service, National Funeral Directors Association

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

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Signed copy located in the NCGA Principal Clerk's Offices

