

THIRD READING

Bill No: AB 929
Author: Connolly (D)
Amended: 8/26/26 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-1, 8/26/26
AYES: Wahab, Choi, Archuleta, Caballero, Grayson, Menjivar, Smallwood-
Cuevas, Strickland
NOES: Niello
NO VOTE RECORDED: Arreguín, Umberg

SUBJECT: Abandoned endowment care cemeteries: County of Marin

SOURCE: The County of Marin

DIGEST: This bill permits the County of Marin to transfer the ownership of a single, designated, abandoned endowment care cemetery to either a nonprofit entity or another licensee of the Cemetery and Funeral Bureau (Bureau), as specified, and sunsets that authority on January 1, 2029.

Senate floor amendments of 8/26/26 assist Marin County in transferring ownership of the Mount Tamalpais Mortuary and Cemetery.

ANALYSIS:

Existing law:

- 1) Establishes the Bureau within the Department of Consumer Affairs (DCA) to administer and enforce the Cemetery and Funeral Act (Act), subject to review by the Legislature as though it were scheduled to be repealed on January 1, 2029. (Business and Professions Code (BPC) § 7602)
- 2) Requires the Bureau, to protect consumers, to adopt regulations that establish minimum standards of maintenance for endowment care cemeteries under the jurisdiction of the Bureau. The regulations must consider differences in cemetery size, location, topography, and type of interments, along with the

extent to which funds are available from the cemetery's endowment care funds to perform maintenance. (BPC § 7612.4(a))

This bill:

- 1) Authorizes the County of Marin, if it acquires title to the Mount Tamalpais Mortuary and Cemetery, to transfer ownership, care and management to either a California nonprofit organization in good standing, or a cemetery authority licensed under the Funeral Act
- 2) Exempts the entity that acquires the Mount Tamalpais Mortuary and Cemetery from liability for any debts, obligations, taxes, fines, judgements, or recordkeeping failures of a prior owner or cemetery authority arising before the date the successor acquires ownership and assumes responsibility for the care and management of the Mount Tamalpais Mortuary and Cemetery; however, this does not absolve the successor from honoring valid burial rights or prepaid burial contracts.
- 3) States that liability exemptions are applicable to any transfer regardless of when the County of Marin acquired title to the Mount Tamalpais Mortuary and Cemetery and regardless of whether the successor transfer occurs before or after the effective implementation date of this bill.
- 4) Makes the provisions of this bill operative only if SB 1312 (Richardson) is enacted; makes findings and declarations related to the necessity to create a tailored and narrow transfer process for the County of Marin; and sunsets the authority provided in this bill on January 1, 2029.

Background

Cemetery and Funeral Bureau. A Bureau-licensed cemetery is any private, non-religious cemetery established after 1939. Any cemetery established after September 7, 1955, is required to be an endowment care cemetery (Health & Safety Code (HSC) § 8739.1). An endowment care cemetery is one in which a portion of the purchase price contributes to an endowment care fund. Income generated from the fund provides for the regular care of the cemetery, including routine maintenance such as cutting grass, grave upkeep, caring for trees, maintenance of water supply systems, roads, drainage, etc. The minimum amount to be contributed for the endowment care fund is provided in HSC § 8738. Endowment care funds are collected no later than at completion of the initial sale. The intent of endowment care is to ensure that the maintenance and care of cemetery grounds are continuous to help prevent cemeteries from falling into

disrepair. The Bureau has the authority to inspect and audit endowment care funds and cemeteries are required to report annually the status and conditions of such funds (BPC § 7612.6).

Pursuant to current regulations, every cemetery with an endowment care fund must develop cemetery maintenance standards. These standards help ensure the property can maintain a condition that prevents the offensive deterioration of a cemetery. Examples of maintenance standards include trimming or mowing grass, removing shrubs and trees, removing or suppressing weeds, providing enough water to keep grass and plants green as seasonably possible in accordance with natural terrain, availability of water, and local or county ordinances regarding water use.

Abandoned Endowment Care Cemeteries. The Bureau's 2024 staff sunset background paper noted growing concerns regarding abandoned cemeteries and posed the question as to what steps could be taken to ensure that older cemeteries are appropriately and respectfully maintained by another entity after they have been abandoned by a licensee. Currently, when a private cemetery has not interred more than 10 human bodies in the preceding five years or if it threatens or endangers the health, safety, comfort, or welfare of the public, statute allows (but does not require) a city or county to declare that cemetery abandoned.

Pursuant to BPC § 7613.11, 90 days following the cancellation, revocation, or suspension of a cemetery license, the Bureau is required to take title of the endowment care funds and take possession of all the books, records, property, or assets and act as the conservator over the management of the cemetery. The goal is to ensure the cemetery can be maintained for the time being while there is no licensee. The Bureau is to appoint a trustee to manage the funds. If the ownership is transferred to another licensee, then the Bureau does not need to intervene.

To address the current issue that arises when a cemetery property is no longer under the oversight of a Bureau-cemetery licensee, SB 1312 (Richardson of 2026) proposes to establish a process by which a county can take title to an abandoned endowment care cemetery property and subsequently transfer the cemetery property to a nonprofit public benefit corporation for purposes of maintenance and care of the cemetery property. As proposed by SB 1312, a cemetery will be considered abandoned if 1) the license has been canceled, suspended, or revoked by the Bureau and within a year a new licensee has not assumed responsibility, 2) the Bureau has conserved the endowment care fund as authorized under existing law and 3) the cemetery is negatively impacting public safety and welfare.

If a county takes title of the property, the county will be required to honor any outstanding contracts for burial that were sold or executed by the previous

cemetery licensee. Upon the transfer of ownership of the abandoned cemetery to a county, SB 1312 proposes to exempt the county that takes title of the property from any debts, obligations, taxes, fines, or judgements of the previous owner. Any outstanding endowment care funds must be transferred to the county and placed in a special county fund which the county may only be expended for the care, maintenance, and embellishment of the abandoned endowment care cemetery.

While a county may choose to take ownership of the property, it may not want to provide the care and maintenance of the cemetery. To that end, SB 1312 permits a county to transfer responsibility for only the care and maintenance of that cemetery to a California nonprofit public benefit corporation in good standing to oversee the burials, care, maintenance, and embellishment of the cemetery. Under this circumstance, the nonprofit public benefit corporation may seek reimbursement from the Bureau for monies from the endowment care fund for purposes of care, maintenance, and embellishment of the cemetery property. The Bureau is to remain in control of the endowment care funds until such time new licensee is identified or the county resumes management. Under this scenario, the nonprofit is exempt from any liability for the debts, obligations, taxes, fines or judgement of the abandoned cemetery's previous owner.

This bill also addresses concerns with abandoned endowment care cemeteries, as proposed to be defined in SB 1312. In contrast with SB 1312, instead of a county maintaining ownership of the abandoned cemetery, this bill will permit a county to transfer the ownership to a designated entity. While SB 1312 authorizes the county to transfer the property for care and maintenance (not ownership), this bill will permit the County of Marin to transfer the *ownership* of a single designated cemetery property, the Mount Tamalpais Mortuary and Cemetery, to either a nonprofit in good standing or another Bureau-licensee. SB 1312 does not provide a pathway for another licensee to take ownership of the property should a licensee be interested. The provisions of this bill are limited to one cemetery property, and the provisions are set to sunset on January 1, 2029. This bill will take effect only if SB 1312 is chaptered into law.

This bill will allow the County of Marin to transfer ownership to a “nonprofit in good standing” but current law does not expressly exempt a nonprofit in good standing from the Funeral Act. As a result of the way this bill is drafted, the nonprofit that receives ownership of the Mount Tamalpais Mortuary and Cemetery may not be exempt from Bureau oversight. In contrast, SB 1312 specifically exempts a “nonprofit public benefit corporation” from being subject to the Funeral Act if the cemetery property is transferred from a county for the care and maintenance of an abandoned endowment care cemetery.

Licensure helps ensure accountability of endowment care funds. Current law prohibits licensees from spending the principal of an endowment care fund. If the conflict between these measures is resolved in the future and the goal is for all types of nonprofits which are transferred responsibility or ownership of a cemetery from a county to be exempt from the Funeral Act, the law should be amended in the future to establish clear standards and strong protections for the expenditure of endowment care funds that are no longer subject to the Bureau's oversight and regulations.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

SUPPORT: (Verified 8/26/26)

Marin County Board of Supervisors
The County of Marin (source)

OPPOSITION: (Verified 8/26/26)

None received

ARGUMENTS IN SUPPORT: Marin County Board of Supervisors notes, "... If Marin acquires Mt. Tamalpais pursuant to the process established by SB 1312, AB 929 authorizes the County to subsequently transfer ownership, care, and management of the cemetery to either:

- a California nonprofit organization in good standing; or
- a cemetery authority licensed under California's Cemetery and Funeral Act. This is critical, as it allows the County of Marin to serve as a bridge to responsible ownership, rather than permanently owning a private cemetery."

ASSEMBLY FLOOR: 45-16, 5/29/25

AYES: Addis, Ahrens, Arambula, Ávila Farías, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Ortega, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Celeste Rodriguez, Rogers, Schiavo, Schultz, Sharp-Collins, Stefani, Wicks, Wilson, Zbur, Rivas

NOES: Alanis, Castillo, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Lackey, Macedo, Patterson, Sanchez, Ta, Wallis

NO VOTE RECORDED: Aguiar-Curry, Alvarez, Bains, Bryan, Chen, Flora,
Irwin, Nguyen, Pacheco, Ramos, Ransom, Michelle Rodriguez, Blanca Rubio,
Solache, Soria, Tangipa, Valencia, Ward

Prepared by: Elissa Silva / B., P. & E.D. / 916-651-4104
8/26/26 19:36:59

**** **END** ****