
**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Angelique Ashby, Chair
2025 - 2026 Regular

Bill No:	SB 777	Hearing Date:	September 12, 2025
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Consultant:	Elissa Silva		

Subject: Abandoned cemeteries: report.

SUMMARY: Revises the timeframe and stakeholder participants for the Cemetery and Funeral Bureau (Bureau) to convene a workgroup from July 1, 2027 to March 1, 2026, and provide a report to the Legislature no later than June 1, 2026, instead of January 1, 2028, summarizing the discussions of the workgroup.

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and enforce the Cemetery and Funeral Act (Act), subject to review by the Legislature as though it were scheduled to be repealed on January 1, 2029.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) Establishes the Act, which provides for the licensing and oversight of 14 professional categories within the death care industry. (BPC §§ 7600 *et seq.*)
- 3) Permits the Bureau to inspect the premises in which the business of a funeral establishment, reduction facility, cemetery, or crematory is conducted, where embalming is practiced, or where human remains are stored. (BPC § 7607)
- 4) Defines a “cemetery manager” as a person who engages in or conducts those activities involved in, or incidental to, the maintaining, operating, or improving a cemetery licensed under the Act, the interring of human remains, and the care, preservation, and embellishment of cemetery property. (BPC § 7611.4(a))
- 5) Exempts the following from the provisions of the Act:
 - a) A religious corporation, church, religious society or denomination, a corporation sole administering temporalities of any church or religious society or denomination, or any cemetery organized, controlled, and operated by any of them.
 - b) A public cemetery.
 - c) Any private or fraternal burial park not exceeding 10 acres in area, established prior to September 19, 1939; however, those cemeteries are subject to the cemetery brokerage provisions of the Act, and any cemetery is subject to all of the provisions of the Act, if it collects a care, maintenance, or embellishment

deposit or sets up a trust for burial purposes, as specified, including funeral services such as mortuary, cremation, or other commodities or services furnished at the time of and in connection with that funeral or cremation. (BPC § 7612.2)

- 6) Requires the Bureau, in order 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))
- 7) Clarifies that maintenance standards adopted by the Bureau cannot supersede any standards of a higher level of care established by a local ordinance, as specified. (BPC § 7612(b))
- 8) Requires the Bureau to conduct a study to obtain information to determine if the endowment care fund levels of each licensee's cemetery are sufficient to cover the cost of future maintenance and submit its findings to the Legislature by January 1, 2029. (BPC § 7612.11)
- 9) Requires for purposes of conducting the endowment care study, each licensed cemetery authority to provide the following information to the Bureau by January 1, 2028:
 - a) The year the cemetery was established;
 - b) The total size of the developed and undeveloped acres of the cemetery;
 - c) The total acreage of the developed cemetery property that has been sold for interment, including preneed sales;
 - d) The total acreage of land sold for interment that contains spaces for which endowment care fees have been collected;
 - e) The total acreage of developed cemetery property remaining to be sold;
 - f) The total acreage of undeveloped cemetery property remaining to be sold;
 - g) The year the cemetery started collecting endowment care fees;
 - h) The total number of spaces the cemetery has sold for interment, including preneed sales;
 - i) The total number of spaces that have contributed to the endowment care funds of the cemetery;
 - j) The number of interment spaces remaining to be sold in all developed acreage; and

- k) The number of interment spaces remaining to be sold in undeveloped acreage, to the extent known. (BPC § 7612.11(b))
- 10) Requires the Bureau on or before July 1, 2027, to convene a workgroup comprised of representatives from the cemetery industry, county government, and other interested stakeholders to discuss options for ensuring continued care, maintenance, and embellishment of abandoned cemeteries, including the possibility of requiring counties to assume responsibility for cemeteries located within their boundaries that become abandoned. (BPC § 7612.12(a))
- 11) Requires the Bureau to submit a report to the Legislature summarizing its discussions and potential recommendations resulting from the workgroup on abandoned cemeteries on or before January 1, 2028. (BPC 7612.12(b))
- 12) Requires the Bureau to examine the endowment care funds of a cemetery authority whenever it deems necessary and at least once every five years, whenever the cemetery authority in charge of endowment care funds fails to file the required report, whenever the accountant or auditor qualifies their certification of the report that is prepared and signed by a certified public accountant, and whenever the Bureau receives a valid complaint, alleging the authority has engaged in financial misconduct or neglect of duties, as specified. (BPC § 7613.1)
- 13) Requires a city or county, which has a non-endowment care cemetery within its boundaries that threaten or endangers the health, safety, comfort or welfare of the public may, by resolution of its governing board, if not more than 10 human dead bodies have been interred therein for a period of five years, immediately preceding the date of the resolution, to declare the abandonment of the cemetery as a place of future interment, but shall permit interment therein of any person who is an owner of a plot in the cemetery on the date of adoption of the resolution or who otherwise has a right of interment in the cemetery which is vested on such date. The resolution may provide for the removal of such copings, improvements, and embellishments that the governing board finds to be a threat or danger to the health, safety, comfort, or welfare of the public. (Health and Safety Code (HSC) § 8825)
- 14) Requires the principal of all funds for endowment care to be invested and the income only may be used for the care, maintenance, and embellishment of the cemetery in accordance with the provisions of law and the resolutions, bylaws, rules, and regulations or other actions or instruments of the cemetery authority and for no other purpose. Endowment and special care funds must be maintained separate and distinct from all other funds and the trustees shall keep separate records thereof. (HSC § 8726(a))
- 15) Authorizes a cemetery authority from time to time to adopt plans for the general care, maintenance, and embellishment of its cemetery, and charge and collect from all subsequent purchasers of plots such reasonable sum as, in the judgment of the cemetery authority, will aggregate a fund, the reasonable income from which will provide care, maintenance and embellishment. (HSC § 8728)
- 16) Requires the endowment care fund to be kept separate and apart from all other cemetery funds, including separate records and books, as specified, and prohibits

when selling cemetery property, a commission being paid to a broker or salesman on the amount deposited by the purchaser in the fund. (HSC § 8738.2)

This bill:

- 1) Revises the composition of the workgroup required for the Bureau to convene to include, but not limited to, representatives from the cemetery industry, the California Association of Local Agency Formation Commissions, the League of California Cities, the California State Association of Counties, the Urban Counties of California, the Rural County Representatives of California, public cemeteries, and legislative staff for the appropriate policy committees of the Legislature, and revises the workgroup to meet on or before March 1, 2026, instead of July 1, 2027.
- 2) Requires the workgroup to discuss options for ensuring continued care, maintenance, and embellishment of abandoned cemeteries, including the possibility of requiring counties to assume responsibility for maintenance, irrigation, public works, and burial services for cemeteries located within their boundaries that become abandoned.
- 3) Requires the Bureau to submit a report to the Legislature no later than June 1, 2026, instead of January 1, 2028, summarizing the discussions of the workgroup and its recommendations.

FISCAL EFFECT: According to the Assembly Committee on Appropriations analysis, “The Bureau anticipates no additional costs as a result of this bill. The Bureau notes the creation of a workgroup is required by existing law and would not necessitate additional resources.”

COMMENTS:

1. **Purpose.** The Author is the sponsor of this bill. According to the Author, Lincoln Memorial Park Cemetery in Carson City, established in 1934, has been abandoned since 2023 due to the declining health of its owner. Since then, the site has suffered repeated vandalism, theft, and desecration. Sadly, this is not an isolated incident. Across California, 187 private cemeteries are at risk of abandonment, and when owners are no longer able—or willing—to fulfill their obligations, families and communities are left without recourse.

Currently, the Private Cemeteries Act governs ownership and oversight of private cemeteries. However, the state’s role is limited: it oversees endowment funds and pre-need burial contracts, but does not ensure ongoing maintenance of the property itself. This regulatory gap leaves grieving families and community volunteers to shoulder the burden of cemetery upkeep, often without sufficient resources.

Abandoned cemeteries quickly become public nuisances—they are distressing to families, pose public safety risks, and negatively affect nearby property values. We must act proactively and collaboratively to address this growing issue and ensure these sacred spaces are preserved with the dignity and respect they deserve.”

2. Background.

Cemetery and Funeral Bureau. The Bureau licenses, regulates, and investigates complaints against California funeral establishments, funeral directors, embalmers, apprentice embalmers, cemetery brokers, cemetery salespersons, cremated remains disposers, crematories, crematory managers, cemetery managers, cemetery brokers and privately-owned cemeteries in the state. The Bureau does not have authority over cemeteries operated by religious organizations, cities, counties, or cemetery districts, and the military or Native American tribal governments.

The Bureau has oversight responsibility for both the fiduciary and operational activities of its licensing population. The Bureau has statutory authority to enforce the licensing and practice acts in the BPC along with jurisdiction over specified provisions of the HSC dealing specifically with human remains, cemetery and crematory provisions. With respect to the financial aspect of the industry, the Bureau is responsible for the oversight and regulation of preneed funeral trust funds, cemetery endowment care trust funds, and cemetery special care trust funds. The Department of Insurance regulates the sales of insurance policies used to fund preneed funeral arrangements, while the Bureau ensures compliance with required price disclosures and contract requirements under the Bureau's jurisdiction.

Cemetery Oversight. When it comes to operating a cemetery, there are typically two licenses involved: 1) the cemetery manager who is the person engaged in the maintenance, operations, and improvements of a licensed cemetery and 2) the cemetery authority, which includes cemetery association, corporation sole, limited liability company, or other person owning or controlling the cemetery lands or property. As of FY 2023-24, the Bureau oversees 184 cemetery authority licensees. When the Bureau revokes a cemetery authority license, its regulatory jurisdiction over that business or individual ends. However, cemeteries are unique in that the Bureau can revoke the license, but the "business" does not end. There is still a piece of land or the real estate wherein deceased people are buried that must be maintained. The Bureau's jurisdiction over a revoked or lapsed cemetery license remains only with regard to approving interments as specified in BPC § 7653.1 and pursuant to Title 16 of the California Code of Regulations (16 CCR) § 2332, which permits the Bureau to approve interments in cemeteries where the license has lapsed or been revoked. However, the Bureau's authorization is limited to allowing interments for decedents who have a right of interment through a preneed contract. The endowment care funds associated with that cemetery must remain as trust funds and can only be used for the purpose for which they were intended.

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 (HSC § 8739.1). An endowment care cemetery is one in which a portion of the purchase price is contributed 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 to the endowment care fund is provided in HSC § 8738. The 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, (16 CCR § 2333) every cemetery with an endowment care fund must develop cemetery maintenance standards. These standards are to help ensure the property can maintain a condition that helps to prevent the offensive deterioration of a cemetery. Examples of the maintenance standards include trimming or mowing grass, removing shrubs and trees, removing or suppressing weeds, providing a sufficient amount of 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. The regulations allow cemetery maintenance and care to vary depending on its size, location, topography, and types on interments. Although endowment care cemeteries are not required to maintain green grass, there may be expectations of individuals who bury loved ones in a cemetery to preserve desirable maintenance standards. Those cemeteries that do not have endowment care are required to notify individuals that they are not endowment care cemeteries.

The monies reserved for endowment care are based on the sale from each interment space sold and those deposits are to be added to the principal of the trust. Current law prohibits the expenditure of the principal of the endowment care trust fund and instead, the principal is invested with the intent to earn income for the general care and maintenance of the cemetery long term. Part of the issue for many cemeteries, especially those older cemeteries, is they have limited new interment space to offer, and therefore are no longer able to collect funds for purposes of endowment care. As the cost of maintenance and care for cemeteries and properties in general has increased, invested dollars from many years ago may not be sufficient to keep up with today's maintenance or repair costs.

As noted by the Bureau in its 2024 Sunset Review Report, "it is the older cemeteries that are struggling with maintenance. Once a cemetery has sold most or all of its cemetery spaces, business operating finances decline, and the cemetery authority must rely more on the income from the endowment care fund to maintain the cemetery grounds." As reported in the Bureau's 2017 Endowment Care Sufficiency Study, "many licensed cemeteries in California have an underfunded endowment care. As these cemeteries are private businesses, this leads to either the abandonment of the cemetery by cancelling the license, or the Bureau pursuing disciplinary measures that can include revocation."

The issue of endowment care fund sufficiency and ongoing issues with cemetery maintenance, especially for older and historical cemeteries has long been discussed and raised by this Committee as part of the joint sunset review oversight process. During the Bureau's sunset review in 2014, this issue was raised. Subsequently, AB 180 (Bonilla, Chapter 395, Statutes of 2015), required the Bureau to conduct a study of endowment care funds and report to the Legislature by November 1, 2018. The purpose of the study was to obtain information to determine if the endowment care fund levels of each licensee's cemetery are sufficient to cover the cost of future maintenance. The report found that many of today's bureau-

regulated cemeteries were licensed before a time when endowment care funds were required. As noted in the Bureau's 2017 endowment care study, of the 195 privately-owned cemeteries the Bureau licenses, 142 (73 percent) were established before the law requiring endowment care was enacted. Based on the language in the statute, these 142 cemeteries did not need to create endowment care trusts. Specifically, with a few exceptions, the law required any cemetery established on or after September 7, 1955, to be an endowment care cemetery, but did not grandfather-in cemeteries established before that date. Although the Bureau found the majority of cemeteries established endowment care trusts, funds were likely not sufficient to maintain cemeteries in perpetuity.

Ultimately, the required endowment fund deposits increased through AB 651 (Gipson, Chapter 442, Statutes of 2021). AB 651 provided an incremental increase of required the monies to be deposited into endowment care funds related to the number of plots sold. That bill phased-in the increase with the last phase effective on January 1, 2024.

Separate but related to endowment care fund concerns, is the issue of abandoned private cemeteries, which remains a problem. The Bureau's 2024 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 that has not interred more than 10 human bodies in the preceding five years 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. However, if the ownership is transferred to another licensee, then the Bureau does not need to intervene.

In its 2024 Sunset Review Report, the Bureau suggested that the Legislature consider amending current law to vest the responsibility of perpetual care with the jurisdiction that authorized the underlying use upon abandonment of a cemetery. Such a mandate, however, may create challenges for local governments who argue that a lack of resources may not allow them to successfully assume responsibility for all private cemeteries within their boundaries.

In an effort to find a practicable resolution to the vexing challenge of abandoned privately-owned cemeteries, AB 3254 (Berman, Chapter 589, Stats. of 2024) required the Bureau to convene a workgroup by July 1, 2027. The workgroup is to be comprised of representatives from the cemetery industry, county government, and other interested stakeholders to discuss options for ensuring continued care, maintenance, and embellishment of abandoned cemeteries, including the possibility of requiring counties to assume responsibility for cemeteries located within their

boundaries that become abandoned. That bill also required the Bureau to report on the workgroup's discussions and recommendations no later than January 1, 2028, in advance of its next sunset review.

To expedite the work of the workgroup, this bill makes modest changes to that provision, by specifying who, at a minimum, should be included as stakeholders in the workgroup, including the California Association of Local Agency Formation Commissions, the League of California Cities, the California State Association of Counties, the Urban Counties of California, the Rural County Representatives of California, public cemeteries, and legislative staff for the appropriate committees of the Legislature. This list is not exhaustive and the Bureau could appoint additional participants if necessary. In addition, this bill moves the required meeting date of the workgroup from July 1, 2027, to March 1, 2026. The Bureau will be required to submit a report to the Legislature by June 1, 2026, instead of January 1, 2028.

3. **Related Legislation.** SB 344 (Weber-Pierson of 2025) would clarify that, in addition to bridges and docks, cremated or hydrolyzed human remains cannot be scattered from a "dock attached to a shore." (Status: *This bill is pending on the Assembly Inactive File.*)

AB 3254 (Berman, Chapter 589, Statutes of 2024) extended the sunset date for the Bureau and required the Bureau to convene a workgroup of interested stakeholders to make recommendations relating to abandoned cemeteries.

AB 651 (Gipson, Chapter 442, Statutes of 2021) authorizes a county to assume the responsibility of a cemetery, under specified conditions, and authorizes the county to maintain public access to that cemetery; increases the required contribution amounts for an endowment care fund, as specified; requires the Bureau to examine an endowment care fund when it receives a valid complaint of misconduct; and requires the Bureau to conduct a study of endowment care funds by January 1, 2029.

AB 926 (Irwin, Chapter 750, Statutes of 2017) authorizes a cemetery authority to convert its endowment care fund distribution method to a unitrust distribution method, upon application and approval from the Bureau, subject to specific requirements, beginning January 1, 2020.

AB 180 (Bonilla, Chapter 395, 2015) required the bureau to conduct a study to obtain information to determine if the endowment care fund levels of its licensees' cemeteries are sufficient to cover the cost of future maintenance, as specified, and to report its findings and recommendations to those policy committees by January 1, 2018.

SUPPORT AND OPPOSITION:

Support:

None received

Opposition:

None received

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