
UNFINISHED BUSINESS

Bill No: SB 777
Author: Richardson (D)
Amended: 7/9/25 in Assembly
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 8-0, 9/12/25
AYES: Ashby, Choi, Archuleta, Arreguín, Grayson, Niello, Strickland, Umberg
NO VOTE RECORDED: Menjivar, Smallwood-Cuevas, Weber Pierson

ASSEMBLY FLOOR: 77-0, 9/10/25 - See last page for vote

SUBJECT: Abandoned cemeteries: report

SOURCE: Author

DIGEST: This bill 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.

Assembly Amendments create a new bill to revise the timeframe and stakeholder participants for the Bureau to convene a workgroup and provide a report to the Legislature.

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and enforce the Cemetery and Funeral Act (Act), subject to review by the Legislature as though it were scheduled to be repealed on January 1, 2029.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, 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))

- 3) 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)
- 4) 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))
- 5) 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))

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.

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.

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. The Bureau’s authorization is limited to allowing interments for decedents who have a right of interment through a preneed contract.

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 each endowment care fund is provided in Health and Safety Code (HSC) § 8738. The endowment care funds are collected no later than 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."

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 a question as to what steps could be taken to ensure that older cemeteries are appropriately and respectfully maintained by another entity when a licensee abandons it or the license is revoked. 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 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.

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

The Bureau does not anticipate additional costs as a result of this bill since the creation of a workgroup is required by existing law and would not necessitate additional resources.

SUPPORT: (Verified 9/11/25)

None received

OPPOSITION: (Verified 9/11/25)

None received

ASSEMBLY FLOOR: 77-0, 9/10/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Gallagher, Mark González, Tangipa

Prepared by: Elissa Silva / B., P. & E.D. / 916-651-4104
9/12/25 11:19:46

**** END ****