



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4116	Signed by Governor on July 2, 2024
Author:	Sandifer	
Subject:	Funeral Contracts	
Requestor:	House of Representatives	
RFA Analyst(s):	Wren	
Impact Date:	August 13, 2024	

Fiscal Impact Summary

This bill makes various changes to the operations of the Board of Funeral Service to include changes to fines and fees and educational requirements, among other things.

This bill is not expected to have a significant impact on Other Funds expenses of the Department of Labor, Licensing and Regulation (LLR) or the Board of Funeral Service. Any expenses associated with additional investigations and disciplinary actions for crematories can be managed with existing resources and staff.

This bill will have no expenditure impact on the State Law Enforcement Division (SLED) since any expenses associated with conducting additional criminal records searches can be managed within existing appropriations and with existing staff. Further, the Revenue and Fiscal Affairs Office (RFA) anticipates that any revenue received from the criminal background search fee that is retained by SLED will be used to offset expenses.

This bill may increase the number of cases, or the duration of cases heard in court. Judicial intends to use existing resources to manage any modification in caseloads. Therefore, this bill will have no expenditure impact for Judicial.

This bill will have no expenditure impact on the Commission on Prosecution Coordination (CPC) since any increase in expenses as a result of implementation of the bill can be managed within existing appropriations.

This bill will have no expenditure impact on the Commission on Indigent Defense since any increase in expenses as a result of implementation of the bill can be managed within existing appropriations.

This bill increases certain fines related to violations related to the Board of Funeral Service, which may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an undetermined increase in General Fund revenue, Other Funds revenue, and local revenue due to the potential increase in fines and fees collections in court.

This bill also changes civil fines relating to the Safe Cremation Act. These funds are used to defray administrative costs associated with investigations pursuant to Section 40-1-180. LLR indicates that the Board of Funeral Service collected approximately \$11,000 in fines in FY 2021-22. However, LLR nor the board has details on the individual penalties and fines by statute. Therefore, the impact on Other Funds revenue of LLR for the change in civil fines is undetermined.

This bill will have no Other Funds revenue impact for SLED due to the potential increase in background record searches. For information, SLED previously indicated on similar legislation that the total cost for a criminal records search is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED. The current three-year average in fees collected for background checks totals approximately \$17,147,000, of which \$4,461,000 is deposited to the General Fund, and the remainder is retained by SLED.

This bill will increase Other Funds revenue of the Board of Funeral Service by at least \$5,250 beginning in FY 2024-25 for the imposition of the new \$50 operator fee for crematories. LLR indicates that there are currently 105 crematories in South Carolina. While this estimate only assumes 1 operator per crematory, there may be additional operators associated with each crematory. RFA anticipates that the revenue will be used to offset any expenses associated with additional investigations.

This bill will have no impact on Other Funds revenue of the Department of Public Health or the Department of Environmental Services, formerly the Department of Health and Environmental Control (DHEC), since the civil fines collected pursuant to Section 5 of the bill are not retained by either agency.

This bill increases the imprisonment time from thirty days to not more than six months for a person who violates the provisions of Chapter 10 of Title 32, which relates to preneed funeral contracts. RFA anticipates that this bill could result in an increase in local expenditures due to the increased imprisonment time in the local jail population. However, as the exact amount of increased local jail time is unknown, the potential increase in the local jail population and local expenditures is undetermined. Further, LLR nor the Board of Funeral Service have details on the individual penalties and fines by statute.

Explanation of Fiscal Impact

Signed by Governor on July 2, 2024

State Expenditure

This bill requires all cremations to be performed by a trained individual who meets all of the specified criteria. Additionally, this bill requires the Board of Funeral Service to employ at least two inspectors and at least one investigator. Currently, the board must employ only one

inspector. The bill also specifies that the Board of Funeral Service has jurisdiction over unlicensed persons related to funeral services.

This bill increases the fine for a person who practices funeral services without a license or uses false information to obtain licensure. Additionally, the bill subjects persons who aid and abet unlicensed persons or entities in engaging in the practice of funeral service without licensure to specified fines.

Further, this bill increases the annual continuing education requirements for licensees under the Board of Funeral Service from three credit hours to four and specifies that at least two credit hours must require the physical attendance of the licensee.

Department of Labor, Licensing and Regulation. LLR indicates that any expenses associated with additional investigations and disciplinary actions for crematories can be managed with existing resources and staff. Therefore, this bill will have no expenditure impact on LLR or the Board of Funeral Service. Additionally, LLR currently employs two inspectors and four investigators.

State Law Enforcement Division. SLED previously indicated that any expenses associated with conducting additional background record searches could be managed within existing appropriations and with existing staff. Further, we anticipate that any revenue received from the criminal background search fee that is retained by SLED will be used to offset expenses. Therefore, the bill will have no expenditure impact on the agency.

Judicial. Judicial previously indicated that this bill may increase the number of cases, or the duration of cases heard in court. Judicial intends to use existing resources to manage any modification in caseloads. Therefore, this bill will have no expenditure impact for Judicial.

Commission on Prosecution Coordination. CPC previously indicated that this bill would have no expenditure impact on the agency since any increase in expenses as a result of implementation of the bill could be managed within existing appropriations.

Commission on Indigent Defense. The Commission on Indigent Defense previously indicated that any increase in expenses as a result of implementation of this bill could be managed within existing appropriations. Therefore, we do not anticipate that the bill will have an expenditure impact on the commission.

State Revenue

This bill increases the misdemeanor penalty when money obtained or sought to be obtained is \$10,000, instead of \$2,000 or less and increases the fine from \$1,000 to an amount up to \$25,000 and/or imprisonment for not more than six months, instead of thirty days as related to preneed funeral contracts. The bill also increases the fine for a person who practices funeral services without a license or uses false information to obtain licensure. The fine increases from not less than \$500 or more than \$2,500 to an amount up to \$25,000. The bill subjects persons who aid and abet unlicensed persons or entities in engaging in the practice of funeral service without

licensure to the aforementioned fines. The bill will result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an undetermined increase in General Fund revenue and Other Funds revenue due to the increase in fines and fees collected in court.

This bill also relates to penalties for violations of the Safe Cremation Act by increasing the violation of the civil fine from \$5,000 to an amount up to \$25,000. A licensed funeral director or embalmer who violates the provisions of the chapter must be reported to the State Board of Funeral Service for immediate investigation and disciplinary proceedings. These funds are used to defray administrative costs associated with investigations pursuant to Section 40-1-180. LLR previously indicated that the Board of Funeral Service collected approximately \$11,000 in fines in FY 2021-22. However, LLR nor the board has details on the individual penalties and fines by statute. Therefore, the impact on Other Funds revenue of LLR for the change in civil fines is undetermined.

Additionally, the bill requires all cremations to be performed by a trained individual subject to the provisions of Chapter 19 of Title 40, which relates to criminal records checks. Therefore, this portion of the bill may increase the number of criminal records searches that SLED is required to perform. For information, SLED previously indicated on similar legislation that the total cost for a criminal records search is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED. The current three-year average in fees collected for background checks totals approximately \$17,147,000, of which \$4,461,000 is deposited to the General Fund, and the remainder is kept by SLED. There would be no increase to the General Fund for this portion of the bill.

This bill also imposes a new \$50 operator fee for crematories. LLR indicates that there are currently 105 crematories in South Carolina. Therefore, this bill will increase Other Funds revenue of the Board of Funeral Service by at least \$5,250 beginning in FY 2024-25. While this estimate only assumes 1 operator per crematory, there may be additional operators associated with each crematory. RFA anticipates that the revenue will be used to offset any expenses associated with additional investigations.

Further, this bill will have no impact on Other Funds revenue of the Department of Public Health or the Department of Environmental Services, formerly DHEC, since the increased civil fine collected pursuant to Section 32-8-360(B) of the bill are not retained by either agency.

Local Expenditure

This bill increases the imprisonment time from thirty days to not more than six months for a person who violates the provisions of Chapter 10 of Title 32, which relates to preneed funeral contracts. RFA anticipates that this bill could result in an increase in local expenditures due to the increased imprisonment time in the local jail population. However, as the exact amount of

increased local jail time is unknown, the potential increase in the local jail population and local expenditures is undetermined. Further, LLR nor the Board of Funeral Service have details on the individual penalties and fines by statute.

Local Revenue

This bill increases certain fines related to violations related to the Board of Funeral Service, which may result in an increase in the fines and fees collected in court. Court fines and fees are distributed to the General Fund, Other Funds, and local funds. Therefore, RFA anticipates this bill may result in an undetermined increase in local revenue due to the increase in fines and fees collected in court.



Frank A. Rainwater, Executive Director