

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 163 - SB 194

February 21, 2015

SUMMARY OF BILL: Requires the inspection of a crematory to be carried out by a representative of the Board of Funeral Directors and Embalmers (Board) who is a Certified Crematory Operator (CCO).

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - The Board of Funeral Directors and Embalmers may incur expenditures in the future related to CCO training undertaken by Board inspectors. The CCO training costs and associated per diem, lodging, and meal expenses could collectively result in expenditures in excess of \$700 per inspector. The Board is required to be self-supporting. As of June 30, 2014, the Board had a cumulative reserve balance of \$1,066,300.

Assumptions:

- As of December 17, 2013, there were 53 licensed crematories in operation in Tennessee.
- There are currently 3 inspectors employed by the Board of Funeral Directors and Embalmers to inspect all institutions regulated by the Board.
- To inspect a crematory, an inspector will be required to be a CCO.
- Based on information provided by the Board, during the fall of 2014, each board inspector received the necessary training to be licensed as a CCO; therefore, this legislation will not affect current inspectors. The expenses related to licensure and training were paid for by the Board.
- Based on information provided by the Board, it intends to require inspector applicants to be a CCO as prerequisite of being hired as an inspector; however, in the case that a non-CCO is hired by the Board, the Board may incur necessary expenses to provide training for an inspector to become a CCO.
- The cost to attend a CCO training session is \$395 for an individual who is licensed by the National Funeral Directors Association (NFDA) and \$525 for a member who is not licensed by the NFDA. Associated costs include: lodging \$122 and meals and incidentals of 75 percent for two days.
- The Board can establish any necessary board rules to comply with this legislation during its regular Board meetings without any additional cost.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board had a deficit of \$98,294 in FY12-13, a surplus balance of \$373,246 in FY13-14, and a cumulative reserve balance of \$1,066,326 on June 30, 2014.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- This legislation will have no significant effect on any institution regulated by the Board.
- The certifying entity will experience an increase in business revenue if and when an inspector needs to receive training and certification. The entity is not likely to be domiciled in Tennessee; therefore, this will have no significant direct impact to commerce or jobs in the state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/jdb