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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 224
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 224's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsor: Sen. Cirino

Local Impact Statement Procedure Required: No

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Highlights

- The bill increases the license reactivation fee for embalmers and funeral directors from \$140 to \$200, matching the current licensing and renewal fee for active permits. This may result in some small revenue gains for the State Board of Embalmers and Funeral Directors (FUN). The additional revenue would be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).
- The bill expands the methods by which the \$10 preneed funeral contract fee may be paid to FUN. This may result in some minimal reduction in processing costs from these payments. The Board is also required to adopt additional rules related to these contracts, which may result in some minimal administrative costs.
- The bill modifies the Unclaimed Funds Law, allowing for certain preneed funeral contract funds to be remitted to the state's unclaimed funds account, a custodial account managed by the Treasurer of State.
- The bill requires FUN to conduct a study pertaining to the trusting requirements of purchasing preneed funeral caskets. Any costs the Board would incur to conduct this study are likely minimal.

Detailed Analysis

Overview

The bill makes several modifications to the laws pertaining to funerary services. Overall, the State Board of Embalmers and Funeral Directors (FUN) may see some minimal additional costs related to these changes. However, any such costs would appear to be offset through some potential small revenue gains also related to the changes in the bill. The bill modifies the laws

pertaining to preneed funeral contracts, as well as various provisions for funeral professionals related to facility operations, licensing, and recordkeeping. Those provisions with fiscal impact are discussed in greater detail below. Details of all the bill's provisions can be found in the LSC bill analysis.

Licensing changes

The bill increases the fee for the reactivation of a license for an embalmer or funeral director from \$140 to \$200, thereby matching the existing licensing fee for these two permits. This may result in some small revenue gains to the Board, which would be deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Ultimately, any revenue gains from this fee increase would depend on the number of inactive licenses that are reactivated. As of the beginning of FY 2022, FUN had 1,907 active embalmer licenses and 2,569 active funeral director licenses.

The bill modifies provisions related to licenses from out of state. The bill requires, rather than permits, the Board to approve an application for licensure of an embalmer or funeral director, from an out-of-state individual, if that person provides proof of requisite qualifications from another state. This could potentially result in the approval of a license that may have otherwise been denied under the current permissive authority; however, any such cases would appear to be rare. As such, any additional license revenue gains would likely be negligible.

Preneed funeral contracts

Unclaimed funds

The bill may result in some additional funds being remitted to the state's unclaimed funds account. Specifically, the bill modifies the Unclaimed Funds Law by adding the following types as unclaimed funds: (1) funds held pursuant to a preneed funeral contract upon the contract beneficiary's 105th birthday, unless the holder or seller demonstrates the beneficiary is still alive, and (2) excess preneed funeral contract funds that a trustee is unable to pay to the beneficiary's estate or person with the right of disposition within 180 days of learning of the beneficiary's death.

The Department of Commerce's Division of Unclaimed Funds is responsible for the safekeeping and return of moneys designated as "unclaimed" to rightful owners. Claims of money under the Unclaimed Funds Law are paid from Dedicated Purpose Fund appropriation item 800625, Unclaimed Funds – Claims. The state's unclaimed funds account is a custodial account under the Treasurer of State. Overall, these provisions of the bill are likely to result in only minimal deposits of unclaimed funds into this custodial account or claims for the return of funds from preneed funeral contracts.

Preneed contracts and FUN

The bill modifies several aspects of the preneed funeral contract law. Under current law, the Board charges and collects a \$10 fee for each preneed funeral contract, except those funded through an existing insurance policy. The bill expands the list of potential methods by which an applicable entity may pay this fee to include debit or credit card, check, money order, or cash. This may reduce the processing costs for the Board when collecting this fee. The \$10 is deposited into the Preneed Recovery Fund, a custodial fund used to reimburse purchasers of preneed funeral contracts who have suffered financial loss as a result of misconduct in connection with

the sale of those contracts. As of the beginning of FY 2022, the cash balance of the fund was approximately \$800,000, and FUN had paid around \$30,000 for seven claims.

Preneed funeral contract study

The bill requires FUN to conduct a study pertaining to the trusting requirements in other states with respect to caskets purchased on a preneed basis. The bill then requires FUN to report the findings of that study to the General Assembly within three months of the effective date of the bill. Any additional costs related to conducting this study would appear to be minimal.

Prosecuting unlicensed funeral directing services

FUN may incur additional costs for investigating and prosecuting people who provide unlicensed funeral directing services or operate funeral homes without a license. County prosecutors or the Attorney General, as the case may be, could incur additional costs for dealing with these cases, although few such are likely to arise. The additional cost for FUN would be paid from the Occupational Licensing and Regulatory Fund (Fund 4K90).