



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 8, 2010

H.R. 3655 **Bereaved Consumer's Bill of Rights Act of 2009**

*As ordered reported by the House Committee on Energy and Commerce
on July 21, 2010*

H.R. 3655 would broaden rules prohibiting unfair or deceptive acts or practices in the provision of funeral goods or services. Among other things, the bill would require cemeteries to disclose all fees and costs to be incurred in the future or at the time such goods or services are provided and to keep accurate burial records. The bill would require the Federal Trade Commission (FTC) to develop rules to enforce the new requirements within one year of enactment.

Based on information from the FTC, CBO assumes that the agency would require five additional staff positions at a cost of about \$1 million per year to develop and enforce the new requirements, train staff, and develop educational materials. CBO estimates that implementing H.R. 3655 would cost about \$5 million over the 2011-2015 period, assuming appropriation of the necessary amounts. Enacting H.R. 3655 could affect revenues from collections of civil penalties; therefore, pay-as-you-go procedures apply. However, CBO estimates that revenue collections from those penalties would not be significant in any year.

H.R. 3655 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA), because it would require public and private cemeteries to maintain records and respond to requests for information as well as issue disclosures to consumers. The bill also would impose mandates on providers of funeral goods or services. Based on information from the FTC and industry sources, CBO estimates that the aggregate cost of complying with the mandates would fall below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$70 million and \$141 million, respectively, in 2010, adjusted annually for inflation).

The bill would require public and private cemeteries and other funeral service providers to document and retain records on the location and date of each internment, inurnment, or entombment. The bill also would require those entities to make records available to

federal, state, and local governments upon request. In most cases, state laws and industry standards already require recordkeeping of that kind; therefore, CBO estimates that the incremental cost of recording and reporting such information would be small.

The bill would require public and private cemeteries to provide consumers with written explanations of cemetery rules and the specific rights, terms, conditions, prices, fees, and penalties associated with the goods or services purchased. Industry experts indicate that those practices are already the standard among cemeteries and most other funeral service providers; therefore, CBO estimates that the additional cost of complying with this requirement would be small.

The bill also would require providers and retailers of funeral goods or services to provide clear and accurate pricing and fee information to purchasers. Current federal regulations for this industry extend only to entities that provide both funeral goods and services, not to those that provide one or the other. The bill also would prohibit conditioning the provision of any good or service on the purchase of any other. That requirement would prohibit the practice of bundling or packaging of certain funeral goods and services by providers and retailers previously not regulated by the FTC funeral rule.

Most providers and retailers of funeral goods or services are already in compliance with many of the mandates contained in the legislation through compliance with state law or current industry standards. Based on information from industry professionals and on data on the cost of compliance from the FTC, CBO estimates that the additional compliance costs of those mandates would be small relative to the annual threshold for private-sector mandates.

The CBO staff contacts for this estimate are Susan Willie (for federal costs), Elizabeth Cove Delisle (for the intergovernmental impact), and Marin Randall (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.