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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Stefanics/Rep. Matthews</u>	LAST UPDATED _____
	ORIGINAL DATE <u>3/4/2025</u>
	BILL
SHORT TITLE <u>Traditional & Nontraditional Cremation</u>	NUMBER <u>Senate Bill 368</u>
	ANALYST <u>Gygi</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	\$60.0	See Fiscal Implications	See Fiscal Implications	Nonrecurring/Partially recurring	Board of Funeral Services Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
 Regulation and Licensing Department (RLD)

Agency Analysis Not Received From
 Department of Health (DOH)
 Department of the Environment (NMED)

SUMMARY

Synopsis of Senate Bill 268

Senate Bill 368 (SB368) would expand the definition of "cremation" to include reduction by chemical agent or biological process in several sections of existing law. The proposed changes allow the disposition of bodies through “nontraditional cremation” processes, which are not allowed, or regulated, by current statute including the Funeral Services Act (Chapter 61, Article 32, NMSA 1978). The definitions:

- “Nontraditional cremation” means the reduction of a dead human body to the body's elemental components, whether in ash or soil, through a chemical or biological process, including alkaline hydrolysis and natural organic reduction.
- “Traditional cremation” means the reduction of a dead human body by direct flame to a residue that may include bone fragments.

SB368 seeks to be comprehensive in addressing the relevant sections of statute regarding the:

- Right of individuals to authorize cremations and to specify type,
- Licensure and inspections of funeral establishments and crematories,
- Crematory scope of practice.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The Regulation and Licensing Department (RLD) will need to update its online licensing and compliance and inspection systems for crematory establishments if SB368 is enacted. The department estimates contracting fees for the necessary changes to the NM Plus licensing system at \$60 thousand in FY26. RLD's analysis for this fiscal impact report indicates the costs would be charged to the Board of Funeral Services fund.

In addition, RLD anticipates additional but unknown costs to train funeral services inspectors on the proper equipment and supplies needed for this additional method. RLD believes it can absorb the costs associated with the rulemaking processes for this bill within existing resources.

SIGNIFICANT ISSUES

SB368's nontraditional forms of cremation are currently not allowed, or not regulated, under existing statute. Techniques such as alkaline hydrolysis (reduction by water and chemicals) and natural organic reduction (body composting) are potentially less expensive, use less energy, and are more environmentally friendly than traditional cremation by fire.

Under New Mexico law, an adult may authorize the adult's own cremation and lawful disposition of cremated remains either through a written, witnessed, and notarized statement or an express statement in a will. SB368 adds language that these documents must also state "the type of cremation intended by the authorization."

The Board of Funeral Services has expressed several concerns with SB368, particularly with changing the definition of "cremation":

What they are providing for is alkaline hydrolysis and body composting. This is quite different than cremation. It also does not address licensure or other safeguards for the public. ... Cremation is cremation by flame. Alkaline hydrolysis is a chemical process. Body composting is a completely different process. This would also cause the need to change death certificates.