



Virginia Department of Planning and Budget **Economic Impact Analysis**

18 VAC 65-20 – Regulations for the Board of Funeral Directors and Embalmers
Department of Health Professions
April 2, 2015

Summary of the Proposed Amendments to Regulation

The Board of Funeral Directors and Embalmers (Board) proposes to allow crematories to use a newer and more fuel efficient cremation technology.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

These regulations establish standards for crematories. Currently, crematories are not allowed to cremate human remains of more than one person simultaneously in the same retort or cremation unit. However, according to Department of Health Professions (DHP), there are new retort units with multiple incineration chambers available in the cremation industry which make it possible to cremate the remains of more than one person simultaneously without comingling the cremains.

The Board proposes to allow the use of the newer cremation technology provided the remains are separated into different chambers within the same retort or unit. According to DHP, the units with multiple chambers are more fuel efficient. They also take up less space than two single units. Thus, crematories that utilize such technology are likely to realize some savings in their fuel and space costs and emit fewer air particulates.

Businesses and Entities Affected

The proposed regulations will affect crematories that choose to use the newer type of cremation units. While the Board has no data on the type of cremation units used by crematories, there are currently a total of 106 licensed crematories in Virginia.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed changes are unlikely to significantly affect employment.

Effects on the Use and Value of Private Property

The proposed changes will allow the use of more fuel efficient technology and make it possible for crematories to realize some savings if they invest in newer technology. Thus, a small positive impact on their profitability and value may be expected if they choose to implement the new technology.

Small Businesses: Costs and Other Effects

The proposed changes do not impose any costs on small businesses. All crematories are considered small businesses. Thus, other effects on small businesses are the same as discussed above.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed changes do not have an adverse impact on small businesses.

Real Estate Development Costs

No impact on real estate development costs is expected.

Legal Mandate

General: The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia and Executive Order Number 17 (2014). Section 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to:

- the projected number of businesses or other entities to whom the proposed regulation would apply,
- the identity of any localities and types of businesses or other entities particularly affected,
- the projected number of persons and employment positions to be affected,
- the projected costs to affected businesses or entities to implement or comply with the regulation, and
- the impact on the use and value of private property.

Small Businesses: If the proposed regulation will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,
- the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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