

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 28, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2721 by Parker (relating to the licensing and regulation of persons who provide services in relation to the deceased; increasing a criminal penalty; creating a criminal offense; authorizing an administrative penalty; expanding the application of a fee.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2721, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	\$0
2027	\$0
2028	\$0
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Savings from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,692,560)	\$1,692,560	9.0
2027	(\$879,560)	\$879,560	9.0
2028	(\$779,060)	\$779,060	9.0
2029	(\$779,060)	\$779,060	9.0
2030	(\$779,060)	\$779,060	9.0

Fiscal Analysis

The bill would amend the Health and Safety Code and Occupations Code to modify the licensing, regulation, and oversight of non-anatomical donation organizations, willded body programs, human body acquisition service facilities, and authorized recipients. The bill requires the Texas Funeral Service Commission (TFSC) to license non-anatomical donation organization, willded body programs, human body acquisition services, and authorized recipients. The bill requires the TFSC to adopt rules to prohibit licensed human body acquisition services, authorized recipients, willded body programs, or non-transplant anatomical donation organizations from

accepting any donation of a body or anatomical specimen, including a direct donation, unless the TFSC authorizes the facility to receive the donation. The bill also requires the TFSC to adopt rules regarding who is permitting the donation of a body and rules on including enforcement provisions to ensure documentation and labeling requirements are met. The bill requires the TFSC to maintain a secure electronic database that contains the donor's informed consent documentation along with a unique identifier for every donated body, body segment, part or non-transplant anatomical part tied to the donor.

The bill would create a new state jail felony offense committed when a person, other than a donee licensed by the commission, knowingly solicits, preserves, distributes, or commits other related actions to a body, anatomical specimen, or other non-transplant parts for certain activities without authorization from the commission. The bill would furthermore increase the criminal penalty for the offense of refusing, neglecting, or omitting to perform the required duties related to the donation and distribution of bodies and anatomical specimens to a Class B misdemeanor.

The bill absolves any cemetery organization or funeral establishment that is unaware of a dispute concerning a decedent's remains from liability for disposing the remains when the organization reasonably relies on good faith in the representation of a person who states, in writing, that the person is entitled to control the disposition of the remains.

The bill would take effect September 1, 2025. The addition of Occupations Code 651.702 (Limitation on Noneconomic Damages) would take effect only if receiving a three-fifths vote of all members elected to each house of the Legislature.

Methodology

Based on the analysis of the Texas Funeral Service Commission, this estimate assumes that the cost to implement the provisions of this bill would be approximately \$1.7 million and 9.0 FTEs in fiscal year 2026 and approximately \$880,000 and 9.0 FTEs in fiscal year 2027.

TFSC estimates needing an additional 9.0 full-time-equivalents (FTE) to perform the necessary licensing and regulatory duties required by the bill. These FTEs include: 3.0 additional Inspector III positions, 2.0 additional Investigator III positions, 2.0 additional License and Permit Specialists III positions, 1.0 additional Attorney III position, and 1.0 Administrative Assistant III position. Salaries and wages for all 9.0 FTEs would be \$550,000 with estimated benefits of \$156,310 each year. One-time costs for equipment would be \$63,000 and an additional \$750,000 for the buildout of additional office space for these new positions in fiscal year 2026.

This estimate assumes that TFSC would set and collect reasonable fees to cover the cost of authorizing the receipt and distribution of bodies and anatomical specimens, and licensing willful body programs, authorized recipients, and anatomical facilities with revenues deposited to the credit of the General Revenue Fund.

Based on analysis by the Comptroller of Public Accounts, the new criminal penalties could result in an increase in state revenue due to court costs, however, the increase cannot be estimated. Additionally, new fees associated with TFSC licensing could increase fee revenue but the amount cannot be estimated.

Based on the analysis by the Office of Court Administration, the fiscal impact cannot be determined due to the creation of a new licensing program at TFSC. It is assumed that any impact on state correctional populations or on the demand for state correctional resources would not be significant.

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Technology

Based on the analysis of the Texas Funeral Service Commission (TFSC), this estimate assumes that the cost for a secure electronic database accessible to applicable persons would be a one-time cost of \$165,000 in fiscal years 2026 - 2027 and a cost of \$64,500 in each subsequent year.

Local Government Impact

While it is assumed that any fiscal impact to units of local government associated with enforcement, prosecution, supervision, or confinement would not be significant, the full fiscal implications of the bill cannot be determined at this time.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 513 Funeral Service Commission

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