



## Executive Officer's Report

**To:** Imperial LAFCo Commissioners

**From:** Tyler Salcido, Executive Officer *TRS*

**Item #:** 8b

**Subject:** Opposition Letter – SB 777 (Abandoned Endowment-Care Cemeteries)

**Date:** May 22, 2025

**Time:** 8:30 a.m.

**Location:** El Centro City Council Chambers  
1275 W. Main Street, El Centro, CA 92243

### Report

#### BACKGROUND

- **Bill Overview:** SB 777 would require the Bureau of Endowment-Care Cemeteries to notify the affected LAFCo when a privately operated endowment-care cemetery is abandoned. Within **30 days** of that notice, LAFCo must initiate proceedings to identify and compel a local public agency to accept title, liability, and perpetual maintenance. If no agency volunteers, LAFCo must designate one within **six months**.
- **Current Bill Status:** SB 777 was placed on the Senate Appropriations Committee "suspense file" on April 28, 2025. Bills may be removed from suspense and sent to the Senate Floor during the committee's end-of-May "suspense-day" session; therefore, we cannot assume the measure will die in committee.
- **CALAFCO Position:** CALAFCO's Legislative Committee reviewed SB 777 and issued an "**OPPOSE**" position, urging member LAFCOs to send letters emphasizing the measure's conflict with the Cortese-Knox-Hertzberg Act (CKH Act), lack of funding, and exposure to liability.
- **Imperial County Context:**
  - Public providers: Imperial County contains two small, independent cemetery districts (Central Valley and Riverview), each with limited service

areas and revenue. Imperial LAFCo's operating budget (~\$900k) supports only three staff, among the leanest in California.

- Private endowment care cemeteries: At least two privately owned, endowment care cemeteries remain in Imperial County:
  - Memory Gardens Cemetery (Imperial) – a former licensed private cemetery that lost its license in 1967 and has since been foreclosed/abandoned.
  - Mountain View Cemetery (Calexico) – a nonprofit association cemetery that charges statutory endowment care fees, indicating private/COA status.

Because these sites lie outside the boundaries and financial means of the two public cemetery districts, SB 777 would inevitably shift responsibility to Imperial County, a city, or another special district — through a LAFCo designation process the CKH Act never envisioned.

## DISCUSSION & ANALYSIS

Concern	Impact on Imperial LAFCo
<b>Statutory misalignment</b>	CKH Act envisions LAFCo as a <i>neutral</i> boundary-setting body that responds to applications. SB 777 inverts this by forcing LAFCo to assign a service to an unwilling agency, with no application, standards, or due-process framework.
<b>Unfunded mandate</b>	Bill provides no ongoing revenue, indemnification, or mandate-reimbursement mechanism. Endowment-care funds for abandoned sites are often depleted. Local taxpayers — already among <b>the lowest per-capita tax bases in the state</b> — would subsidize perpetual care.
<b>Administrative capacity</b>	The six-month deadline conflicts with CEQA review, tribal consultation, fiscal analysis, and two hearing requirements, all of which routinely exceed 180 days even for simple sphere-of-influence changes.
<b>Liability exposure</b>	Transfer of title exposes receiving agencies to potential environmental contamination, OSHA/Cal-OSHA compliance, ADA upgrades, and vandalism/security issues without legal shielding.

Imperial LAFCo's proposed opposition letter (Exhibit A) incorporates CALAFCo's recommended messaging while tailoring points to Imperial County's circumstances, including the existence of two cemetery districts with limited capacity.

## FISCAL IMPACT

None directly from sending the letter. If SB 777 were enacted, future costs to Imperial LAFCo (staff time, hearings, legal review) are unknown but would be significant and unfunded.

## Options

- Option #1:** Approve the attached opposition letter to Senator Richardson regarding SB 777 (as amended 3/26/2025), authorize the Commission Chair to sign and transmit the letter on behalf of Imperial LAFCo.
- Option #2:** Commission may direct staff to revise specific content before transmittal.
- Option #3:** Do not approve the opposition letter.

## Recommendation by the Executive Officer

- Option #1:** Approve the attached opposition letter to Senator Richardson regarding SB 777 (as amended 3/26/2025), authorize the Commission Chair to sign and transmit the letter on behalf of Imperial LAFCo.

- EXHIBIT A:** Draft Imperial LAFCo Opposition Letter – SB 777  
**EXHIBIT B:** Bill Text – SB 777 Abandoned Endowment-Care Cemeteries  
**EXHIBIT C:** CALAFCO SB 777 Opposition Letter Template

# EXHIBIT A

Draft Imperial LAFCo Opposition Letter – SB 777

**May 22, 2025**

The Honorable Laura Richardson  
California State Senate  
1021 O Street, Suite 7340  
Sacramento, CA 95814

Re: **SB 777 (Richardson) – Abandoned Endowment-Care Cemeteries: Local-Agency Possession and Responsibility**  
*As amended 3/26/25 – OPPOSE*

Dear Senator Richardson:

On behalf of the **Imperial Local Agency Formation Commission (Imperial LAFCo)**, I must respectfully **oppose SB 777**. The bill would compel every LAFCo to locate—and obligate—another local agency to assume perpetual ownership, liability, and maintenance of abandoned, privately operated endowment-care cemeteries. While we sympathize with families affected by neglected burial grounds, SB 777 conflicts with LAFCo's statutory purpose, lacks procedural clarity, and creates an unfunded mandate that counties such as ours cannot absorb.

**1. SB 777 is inconsistent with LAFCo's statutory role**

LAFCo's charge under the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) is to **discourage sprawl, preserve agricultural and open space lands, and encourage orderly formation of local agencies**. We do **not** "force" new services onto an agency; rather, we respond to applications and conduct highly noticed public proceedings. SB 777 would invert that model by requiring LAFCo to *direct* an agency — without an application — to take over a private enterprise in which it may have no expertise. The measure offers no guidance on evaluation criteria, public-hearing requirements, or CEQA compliance, leaving LAFCo to navigate uncharted legal terrain.

**2. Existing cemetery districts are small and financially limited**

Imperial County does have **two independent cemetery districts** within LAFCo's jurisdiction. However, each district operates with modest budgets and is already focused on maintaining its own facilities. They lack staff capacity, equipment, and revenue to assume perpetual care for additional abandoned cemeteries elsewhere in the county — particularly without dedicated funding or liability protections. Thus, SB 777's mandate remains **unfunded and impractical**, even where cemetery districts exist.

### **3. No viable funding mechanism or liability shield is provided**

SB 777 transfers title, management, and all associated risks to a receiving agency, yet supplies *no* ongoing revenue source. Endowment-care funds, when available, are often insufficient or depleted. The bill also fails to indemnify the receiving agency for latent environmental hazards, ADA compliance, worker-safety requirements, or exposure to future litigation. Imperial County taxpayers—already among the **lowest per-capita tax bases in California**—would be forced to subsidize a private obligation.

### **4. Timelines conflict with CKH Act procedures and local capacity**

The bill requires LAFCo to begin proceedings within **30 days** of notice and identify a receiving agency within **six months**. Even routine sphere-of-influence amendments exceed that timeframe once CEQA review, fiscal analysis of providing services, and two public hearings are included. For a three-person LAFCo office with an annual budget under \$1 million, these accelerated deadlines would displace higher-priority work such as housing and infrastructure projects.

### **Requested amendment**

Imperial LAFCo urges the Legislature to **remove all references to LAFCo from SB 777** and instead develop a voluntary, properly funded program administered by counties, cemetery districts, and the Department of Consumer Affairs. Without such amendments, we must remain opposed.

Thank you for your consideration. Please feel free to reach out with any questions about our position.

Sincerely,

Jesus E. Escobar  
Chairman  
Imperial Local Agency Formation Commission

cc: The Honorable Anna Caballero, Chair, Senate Appropriations Committee  
Members and Consultants, Senate Appropriations Committee

# EXHIBIT B

Bill Text – SB 777 Abandoned Endowment-Care Cemeteries



## SB-777 Abandoned endowment care cemeteries: local agency possession and responsibility. (2025-2026)

SHARE THIS:  

Date Published: 03/26/2025 09:00 PM

AMENDED IN SENATE MARCH 26, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### SENATE BILL

NO. 777

Introduced by Senator Richardson

February 21, 2025

An act to amend the heading of Chapter 7 (commencing with Section 8825) of *Part 3 of* Division 8 of, ~~to add Section 8749 to,~~ and to add Chapter 6 (commencing with Section 8800) to Part 3 of Division 8 of, the Health and Safety Code, relating to cemeteries.

### LEGISLATIVE COUNSEL'S DIGEST

SB 777, as amended, Richardson. Abandoned endowment care cemeteries: ~~county~~ *local agency* possession and responsibility.

Existing law, the Cemetery and Funeral Act, establishes the Cemetery and Funeral Bureau within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of, among others, cemeteries and cemetery authorities, which includes cemetery associations, corporations sole, limited liability companies, and other persons owning or controlling cemetery lands or property. Existing law authorizes a cemetery authority that maintains a cemetery to place its cemetery under endowment care and to establish, maintain, and operate an endowment care fund. Ninety days following the cancellation, surrender, or revocation of a certificate of authority, existing law gives the bureau title to any endowment care funds of a cemetery authority and possession of all necessary books, records, property, real and personal, and assets, and requires the bureau to act as conservator over the management of the endowment care funds.

This bill would ~~make the~~ *require a local agency formation commission for the* county in which an abandoned endowment care cemetery is located *to identify a local agency to be* responsible for the care, maintenance, and embellishment of the ~~cemetery.~~ *cemetery, as specified.* The bill would vest fee title of the cemetery in the ~~county,~~ *local agency and* would restrict the ~~county's local agency's~~ use of the property to *uses consistent with* cemetery ~~purposes, and would exempt the county from various provisions related to the care of active cemeteries.~~ *purposes.* The bill would give the ~~county~~ *local agency* title to any endowment care funds of the prior cemetery authority held by the bureau, and would require the ~~county~~ *local agency* to take possession of all



necessary books, records, real property, personal property, and assets of the fund. The bill would require the assets to be liquidated, and the proceeds placed in a special fund ~~within the county treasury~~ to be expended on care, maintenance, or embellishment of the abandoned endowment care cemetery. The bill would define an abandoned endowment care cemetery and would make conforming changes. *By imposing additional duties on local agencies, this bill would impose a state-mandated local program.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

~~SECTION 1. Section 8749 is added to the Health and Safety Code, to read:~~

~~8749. This article shall not apply to a county that takes title to an abandoned endowment care cemetery pursuant to Chapter 6 (commencing with Section 8800).~~

~~SEC. 2.~~ **SECTION 1.** Chapter 6 (commencing with Section 8800) is added to Part 3 of Division 8 of the Health and Safety Code, to read:

### **CHAPTER 6. Abandonment of Endowment Care Cemeteries**

**8800.** For purposes of this chapter, "abandoned endowment care cemetery" means a cemetery for which an endowment care fund was maintained, that was formerly licensed by the bureau, and for which the certificate of authority has been canceled, surrendered, or revoked and ownership has not been transferred pursuant to Section 8585 within one year of the cancellation, surrender, or revocation.

**8801.** (a) Upon the expiration of the one-year period described in Section 8800, ~~fee title of an abandoned care cemetery shall vest in the county in which the cemetery is located and shall be recorded with the county.~~ *the bureau shall notify the local agency formation commission for the county in which the abandoned endowment care cemetery is located that there is an abandoned endowment care cemetery in that county.*

*(b) No later than 30 days following the notification from the bureau described in subdivision (a), the local agency formation commission shall commence proceedings to identify a local agency take over the care, maintenance, and embellishment of the abandoned endowment care cemetery. The local agency formation commission shall complete its proceedings and identify the receiving local agency within six months of receiving the notification from the bureau.*

*(c) Upon completion of the proceeding described in subdivision (b), fee title of an abandoned endowment care cemetery shall vest in, and be recorded with, the local agency identified by the local agency formation commission.*

~~(b)~~

*(d) Any ~~county~~ local agency* acquiring fee title to a cemetery pursuant to this section shall be responsible for the care, maintenance, and embellishment of the abandoned endowment care cemetery, and shall only use the property for *uses consistent with* cemetery purposes.

**8802.** (a) Upon the transfer of title described in Section 8801, the ~~county~~ *local agency* shall also take title of any endowment care funds of the prior cemetery authority held by the bureau pursuant to Section 7613.11 of the Business and Professions Code, and shall take possession of all necessary books, records, real property, personal property, and assets of the fund.

(b) The assets of the fund described in subdivision (a) shall be liquidated, and the proceeds shall be placed in a special ~~fund within the county treasury.~~ *fund.* The moneys within the special fund shall only be expended on care, maintenance, or embellishment of the abandoned endowment care ~~cemetery.~~ *cemetery acquired by the local agency pursuant to this chapter and for which the endowment care funds were maintained.*

**8803.** A ~~county~~ *local agency* that acquires title to an abandoned endowment care cemetery shall keep a record of, and honor, all remaining contracts for burial executed by the prior cemetery authority.

~~SEC. 3.~~ **SEC. 2.** The heading of Chapter 7 (commencing with Section 8825) of Part 3 of Division 8 of the Health and Safety Code is amended to read:

**CHAPTER 7. Abandoned Nonendowment Care Cemeteries**

~~SEC. 4.~~

**SEC. 3.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

# EXHIBIT C

CALAFCO SB 777 Opposition Letter Template

April XX, 2025

The Honorable Laura Richardson  
California State Senate  
1021 O Street, Suite 7340  
Sacramento, CA 95814

Re: **SB 777 (Richardson): Abandoned endowment care cemeteries: local agency possession and responsibility**  
**As amended 3/26/25 – [CONCERNS/OPPOSE UNLESS AMENDED/OPPOSE]**  
**Assembly Appropriations Committee Suspense File**

Dear Senator Richardson:

On behalf of the [FILL IN THE BLANK] Local Agency Formation Commission, I write to express our [CONCERNS/OPPOSITION] regarding your SB 777, a measure that which would require local agency formation commissions (LAFCOs) to direct local agencies to assume responsibility for abandoned privately-operated cemeteries. SB 777 not only would add significant responsibility to LAFCOs but provides no direction to LAFCOs as to how to assess which local agency is best suited to assume such responsibility and will likely burden the local agency with additional fiscal and liability risks.

LAFCOs are subject to a broad body of law known as the Cortese-Knox-Hertzberg Act Local Government Reorganization Act of 2000 or “CKH Act”. In creating this statutory structure, the Legislature delegated the power to regulate the boundaries and services of local government agencies to LAFCOs. LAFCOs are statutorily tasked with discouraging urban sprawl, preserving open space and prime agricultural lands, encouraging the orderly formation and development of local agencies, and ensuring the efficient delivery of government services on the state’s behalf.

While we are deeply sympathetic to situations where private cemeteries have been abandoned and left vulnerable to vandalism and decay, especially for those family members whose loved ones are interred, apart from specialized cemetery districts, local governments do not currently provide cemetery services. For a LAFCO to direct an entity to take responsibility for an abandoned private enterprise – especially one that likely does not have any expertise that would lend itself to operating a cemetery – is inconsistent with LAFCOs’ statutory role and historic practice. LAFCOs do not just force service obligations upon local agencies; instead, we engage in a deliberative process that incorporates publicly noticed hearings, engagement of local agencies, and opportunity for public comment. SB 777 offers no direction as to how a LAFCO is to proceed under this statute; rather, it places the LAFCO in the unenviable position of trying to make an assessment without any guidance as to procedure or priorities from the Legislature.

Finally, we are aware of no adequate funding mechanism that would accompany the transfer of responsibility for managing an abandoned cemetery, making the challenge of taking on the task even more difficult and less desirable for a local agency. We are concerned that taxpayers of a local agency will not appreciate taking on a new fiscal and liability responsibility of a private enterprise, especially when that enterprise does not serve the public at large.

[Please feel free to include LAFCO-specific information here as examples of the challenges associated with the proposed language.]

As a result, the [FILL IN THE BLANK] Local Agency Formation Commission is [CONCERNED/OPPOSED] to SB 777. Please feel free to reach out with any questions about our position.

Sincerely,

cc: The Honorable Anna Caballero, Chair, Senate Appropriations Committee  
Members and Consultants, Senate Appropriations Committee