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February 13, 2026

TO COUNTY ASSESSORS AND INTERESED PARTIES:

No. 2026/005

**ASSESSORS' HANDBOOK SECTION 516,  
*ASSESSMENT OF CEMETERIES***

The State Board of Equalization (BOE) staff has initiated a project to update and combine Assessors' Handbook Section 516, *Assessment of Cemeteries* and Assessors' Handbook 265, *Cemetery Exemption*. Enclosed is a draft of the new handbook showing the proposed amendments in strike-out and underscore format.

This combined manual has been reprinted with minor corrections for grammar and mathematical errors. The text of the manual has changed from the prior editions to update changes in law, court cases, or other changes since the original publication date.

Interested parties may provide comments or revisions to the proposed draft handbook. Suggested revisions, in the form of alternative text, should be provided to Ms. Lisa Haggerty at [lisa.haggerty@boe.ca.gov](mailto:lisa.haggerty@boe.ca.gov) or mailed to the above address by March 30, 2026. Upon reviewing the submitted suggestions, it is anticipated that this project will proceed as follows:

- If necessary, BOE staff will meet with interested parties to discuss proposed changes for the handbook.
- The Board will hear presentations on any unresolved issues and vote to adopt the revised handbook.

All documents regarding this project will be posted on the Board's website at [www.boe.ca.gov/proptaxes/ah516-265-proposed-rev-and-combination.htm](http://www.boe.ca.gov/proptaxes/ah516-265-proposed-rev-and-combination.htm). If you have questions regarding this project, you may contact Ms. Haggerty at 1-916-274-3341.

Sincerely,

/s/ David Yeung

David Yeung  
Deputy Director  
Property Tax Department

DY:lh  
Enclosure

ASSESSORS' HANDBOOK  
SECTION 516

ASSESSMENT OF CEMETERIES

MONTH 2026

~~REPRINTED JANUARY 2015~~

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CALIFORNIA STATE BOARD OF EQUALIZATION

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STATE CONTROLLER

YVETTE M. STOWERS, EXECUTIVE DIRECTOR



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## REPRINT NOTE

This manual ~~has been renumbered from AH 510C, *The Appraisal of Cemeteries* to AH 516, *Assessment of Cemeteries*~~ is a combination of Assessors' Handbook Section 516, *Assessment of Cemeteries*, and Assessors' Handbook Section 265, *Cemetery Exemption*.

This combined manual has been reprinted with a ~~new format and~~ minor corrections for spelling grammar and mathematical errors. The text of the manual has ~~not~~ changed from the prior editions. ~~It has not been edited for~~ to update changes in law, court cases, or other changes since the original publication date.



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## CHAPTER 1: INTRODUCTION

1  
2 Chapters 1-6 of this handbook considers the proper appraisal methods for valuing cemetery  
3 properties and chapters 7-9 discuss the concepts and legal interpretations of the cemetery  
4 exemption. Cemeteries have expanded with California's growing population. Whereas a hundred  
5 years ago people were typically buried in a church graveyard, or in the days of the Wild West, on  
6 "Boot Hill," today the choices are a public cemetery owned and operated by a governmental entity,  
7 or a private cemetery owned and operated by either a profit or a nonprofit corporation. Along with  
8 this development has been the formulation of the laws governing all types of cemeteries, which  
9 may be found in sections 8125-9677 of the Health and Safety Code and in a number of several  
10 court decisions.<sup>1</sup>

11 Types of cemeteries also vary according to landscaping. We are all familiar with the gradual  
12 change from formal cemeteries laid out in a rectangular pattern and having walkways and large  
13 monuments to the more modern lawn memorial with rolling grass and either small headstones or  
14 markers set flush with the ground. ~~Because of the increasing population concentration in our urban~~  
15 ~~areas and the more secular nature of this population,~~ Churchyard burial could not have hoped to  
16 continue as the sole or preferred place of burial, due to the more secular nature of the increasing  
17 population in concentrated urban areas. Many of the modern cemeteries are characterized,  
18 therefore, by large land holdings for cemetery use, with a variety of services available to the public.  
19 For example, a complete, efficient cemetery complex may contain a mortuary, chapel, crematory,  
20 mausoleum, columbarium, sales rooms, florist shop, casket-making shop, and business offices.<sup>2</sup>  
21 Cemeteries which are organized for profit, ~~it should be recognized,~~ are defined as businesses  
22 having the characteristics of other businesses, a management intent on producing a profit for  
23 stockholders, and ~~salesmen~~ staff working for a commission by selling a variety of goods and  
24 services.

25 With growing business opportunity of private cemeteries have come advertising and other  
26 earmarks of commercial endeavor. Buyers, on the other hand, are offered choices and often make  
27 selections from a group of alternatives. The idea of even selecting a cemetery to be buried in is  
28 probably a relatively recent concept for most people, but having become established as an  
29 acceptable alternative, it was only logical that cemetery businesses should have developed a line  
30 of products for the public to choose from, such as above-ground or below-ground burial, cremation  
31 instead of uncremated interment, a variety of caskets and funeral services, and a choice of pleasant  
32 surroundings to serve as the final resting place. So-called "pre-need" buying, which is buying one's  
33 own grave site during one's lifetime, has proved popular with many, and a source of profit to the  
34 industry.

35 While cemeteries may be motivated, as are other businesses, by the expectation of profit, they are  
36 unique in many ways, and the average appraiser knows little about their organization, operation,  
37 background, or the laws under which they operate. Our discussion of these topics is intended to

<sup>1</sup> See AH 265, *Cemetery Exemption*, page 3-Chapter 7, page 33 for table of cases.

<sup>2</sup> See Glossary, *infra*, pp. 58-60.

1 provide the appraiser with a better understanding of cemeteries and to aid them in reaching a  
2 realistic value conclusion. ~~It is also the purpose of~~ This handbook should point out the indicators  
3 of value and the various methods and techniques which the appraiser may use in arriving at a value  
4 conclusion. The taxability, as opposed to the appraisal of cemetery property, is a subject covered  
5 in chapters 7-8 of this handbook ~~Assessors' Handbook 265, *Cemetery Exemption*. An appraiser~~  
6 ~~working with cemetery properties should consider Assessors' Handbook 265, *Cemetery*~~  
7 ~~*Exemption*, and Assessors' Handbook 516, *Assessment of Cemeteries*, as complementary, and~~  
8 ~~should be familiar with the contents of both.~~

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## CHAPTER 2: CEMETERIES

### DEFINITION

Webster's *Third International Dictionary* defines a cemetery as:

An area for burial or entombment...any burial ground, typically a large one: a graveyard.

The Health and Safety Code further defines cemeteries in section 7003(a)<sup>3</sup> as:

(a) "Cemetery" means ~~any one, or a combination of more than one, either~~ of the following:

(1) Any of the following that is used or intended to be used and dedicated for cemetery purposes:

(A) A burial park, for earth interments.

(B) A mausoleum, for crypt or vault interments.

(C) ~~A crematory, or a crematory and columbarium, for eimentary~~ interments of cremated remains or hydrolyzed human remains.

(2) A place where six or more human bodies are buried.

### LEGAL PROVISIONS

Section 3(g) of article XIII of the California Constitution provides for property tax exemption of:

Property used or held exclusively for the permanent deposit of human dead or for the care and maintenance of the property or the dead, except when used or held for profit. This property is also exempt from special assessment.

There are statutory provisions in the Revenue and Taxation Code pertaining to the exemption of cemetery property from taxation. These provisions, along with various court decisions affecting cemetery exemptions, are discussed in chapters 7-8 Assessors' Handbook 265.

There are various statutory provisions in the Health and Safety Code that pertain to the organization, administration, and operation of cemeteries in California. These provisions will be cited in the various sections of this handbook as they apply. There are no constitutional or statutory sections, however, that deal specifically with the valuation of cemetery properties. The general laws of valuation for tax purposes are applicable.

<sup>3</sup> Health and Safety Code section 7003 repealed and added by Stats. 2017, ch. 846, sec. 29 (AB 967), operative July 1, 2020.

## TYPES OF CEMETERIES

Cemeteries may be categorized according to ownership, as being either public or private.

### PUBLIC CEMETERIES

This type of cemetery is one owned and operated by the federal, state, or local government and, of course, is not operated for a profit. Cities and counties have the power to dedicate certain public lands for public cemetery use.<sup>4</sup> The land must be situated in or near a city, and cannot exceed five acres. The management of city-owned cemeteries is controlled by the city council. County-owned cemeteries are managed by the county board of supervisors in the county where situated. The governing body having control of a public cemetery must keep a public register of name, age, birthplace, date of death, and date of burial of every body interred in the cemetery. Sections 8125 – 8137 of the Health and Safety Code pertain to public cemeteries.

Sections 9000 – 9093 of the Health and Safety Code authorize the formation and operation of public cemetery districts. Formation of such a district is initiated by the property owners in the proposed district, who must submit a petition to the board of supervisors declaring their intent and requesting a public hearing. Once a district is established, it is governed and managed by trustees appointed by the county board of supervisors. These trustees receive ~~no~~ minimal compensation for their services. Per section 9031(a) of the Health and Safety Code, "The board of trustees may provide, by ordinance or resolution, that each of its members may receive compensation in an amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. A member of the board of trustees shall not receive compensation for more than six meetings of the board in a calendar month. Commencing January 1, 2019, if the district compensates its members for more than four meetings in a calendar month, the board of trustees shall annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than four meetings per calendar month are necessary for the effective operation of the district."

The district may maintain a cemetery limited in use to burial in the ground of residents of the district, or members of the family of a resident who has purchased a burial plot. A district cannot acquire or maintain a mausoleum unless it was constructed prior to May, 1937.

Whenever a board of trustees determines that the amount of revenues available to the district or any of its zones is inadequate to meet the costs of providing facilities, programs, projects, and services, the board of trustees may raise revenues by levying special taxes, issuing general obligation bonds, or imposing fees as prescribed by law.<sup>5</sup> The money required for maintenance of the district's operation is raised by taxation. The board of supervisors can levy a tax on all property within the district, not to exceed two percent mills on each dollar of assessed value.<sup>6</sup>

<sup>4</sup> Health and Safety Code section 8125.

<sup>5</sup> Health and Safety Code sections 9080 through 9083.

<sup>6</sup> Id., section 9082(b).

1 Cemeteries controlled and operated by any religious corporation, church, religious society or  
 2 denomination, or public cemeteries of fraternal or beneficial associations are likewise subject to  
 3 the provisions of the Health and Safety Code pertaining to public cemeteries.<sup>7</sup>  
 4

## 5 **PRIVATE CEMETERIES**

6 Sections 8250 – 8829 of the Health and Safety Code pertain to private cemeteries. Section 8252  
 7 states provides:

8       It is unlawful for any corporation, copartnership, firm, trust, association, or  
 9 individual to engage in or transact any of the businesses of a cemetery within this  
 10 state except by means of a corporation or limited liability company duly organized  
 11 for such purposes.

12 Such a corporation or limited liability company may establish, maintain, manage, or operate a  
 13 cemetery and conduct any or all of the business of a cemetery, either for or without profit to its  
 14 membership or stockholders. Generally speaking, there are two kinds of privately owned  
 15 cemeteries: those that are profit seeking and those that are not. The valuation of the two for  
 16 property tax purposes will vary because of certain exemptions allowed each, so it is essential that  
 17 the appraiser be familiar with the cemetery exemptions found in chapters 7-8-Assessors' Handbook  
 18 265, Cemetery Exemption.

19 There are ~~statutory~~ provisions in the Health and Safety Code granting private cemetery owners  
 20 authority to regulate and operate their cemeteries.<sup>8</sup> Some of these powers include the rights to  
 21 regulate the size and shape of markers and monuments, to prohibit markers and structures upon  
 22 any portion of the cemetery, to remove structures ~~or plants and shrubs~~ from the cemetery, and to  
 23 regulate the conduct of persons and prevent improper assemblages.

24 A cemetery corporation does not have absolute control over its property. Municipalities and  
 25 counties may, pursuant to their police powers, impose zoning and other regulations affecting them.  
 26 Local governments may even go to the length of forbidding cemeteries altogether in places in  
 27 which it may be reasonably supposed that a cemetery would jeopardize or injure public health,  
 28 safety, convenience, or welfare.<sup>9</sup>  
 29

---

<sup>7</sup> Id., sections 8132, 8250.

<sup>8</sup> Health and Safety Code ~~section 8300-sections 8302, 8303, 8304, 8305, 8307.~~

<sup>9</sup> 13 Ops.Cal.Atty.Gen. 103 (1949).

# CHAPTER 3: CEMETERY DEVELOPMENT

## DEDICATION

Before a site can be used as a cemetery, California law requires that the owner dedicate it for cemetery purposes. Sections ~~8550-8561~~ 8553 of the Health and Safety Code ~~describes cemetery~~ “dedication” as the recorded declaration that ~~“the property shall be held, occupied, and used exclusively for a cemetery and for cemetery purposes”~~. pertain to the dedication of cemeteries. Sections 8551 and 8553 of the Health and Safety Code provide that dedication is complete upon the filing with the county recorder of a map or plat of the property and a declaration dedicating the property exclusively to cemetery purposes. Once the dedication is complete, the property thereafter shall be held, occupied, and used exclusively for a cemetery and for cemetery purposes. Church grounds may be consecrated and dedicated for cemetery use even though not necessarily dedicated pursuant to statutory provisions.

The act of dedication is relatively simple. The cemetery corporation must file an acceptable map or plat in the office of the recorder of the county in which all or a portion of the cemetery is to be located. They shall also file for record in the recorder's office a written declaration of dedication of the property delineated on the plat or map exclusively to cemetery purposes.<sup>10</sup> Upon the filing of the map or plat and the filing of the declaration for record, the dedication is complete.

After a property is dedicated to cemetery purposes, neither the dedication nor the title of a plot owner will be affected by the dissolution of the cemetery corporation, by nonuse, by any encumbrances, or by sale of the cemetery.<sup>11</sup> Dedication of land for cemetery use, however, is not necessarily an irrevocable act. State law provides that cemetery dedication may be removed by an order or decree of the superior court of the county in which the property is situated, in a proceeding brought by the cemetery corporation for that purpose, and upon notice of hearing and proof satisfactory to the court:

(a) That no interments were made in or that all interments have removed from that portion of the property from which dedication is sought to be removed.

(b) That the portions of the property from which dedication is sought to be removed are not being used for interment of human remains.<sup>12</sup>

There have come to our attention instances in which for both profit and nonprofit cemetery corporations ~~have removed~~ the cemetery dedication was removed and ~~then sold~~ the land was sold for its ~~highest and best immediate~~ a different use, e.g., ~~for example,~~ a residential subdivision or industrial park. ~~There are few reported cases on the subject, but it may be assumed that a court~~

<sup>10</sup> Our study of cemeteries, however, has shown that, contrary to section 8553 of the Health and Safety Code, cemetery property is sometimes used for other purposes while still under cemetery dedication. These uses have included mobile park homes, boat engine repair facilities, vineyards, and other operations.

<sup>11</sup> Health and Safety Code section 8558.

<sup>12</sup> Id., section 8580.

1 would not remove the dedication without good cause. For example, in one case a cemetery sold  
 2 property, and it was used by the purchaser for noncemetery purposes for a period of 18 years. The  
 3 court held that the property was free of the dedication. In that event, courts have held that once the  
 4 property is no longer used or held exclusively for the burial of the dead, the property is no longer  
 5 exempt.<sup>13</sup>

## 6 LOCATION

7 Cemeteries are located in most types of use zones. Since they fulfill a social need, local  
 8 governments find various means of bringing them within their zoning structures. These means  
 9 include the issuance of conditional-use permits, the granting of variances, and special cemetery  
 10 zoning. For this reason the value of a cemetery site may differ substantially from that of  
 11 surrounding parcels.

12 Gently rolling land with favorable subsoil conditions and natural drainage is ideal for cemetery  
 13 usage. Undulating land offers the best advantage for effective and economical landscaping. Flat  
 14 areas can be developed in a manner to neutralize monotony, but require greater expense. Location  
 15 is an important factor in cemetery value, since it affects plot prices and absorption rates.  
 16 Occasionally a site is selected because it is economically unsuitable for other purposes. The  
 17 selection of a site, however, is at times influenced by circumstances which have no relation to  
 18 physical, aesthetic, and geographic requirements.

## 19 PASSIVELY HELD LAND

20 Passively held land may be defined as land that is held by a cemetery owner dedicated to cemetery  
 21 use, but not presently developed for burial purposes. When valuing a cemetery, the appraiser must  
 22 exercise particular care and judgment to appraise the passively held land properly.

23 With respect to such land, the profit-seeking cemetery presents less of a problem than the nonprofit  
 24 cemetery. All of the passively held land in a profit-seeking cemetery is taxable. On the other hand,  
 25 passively held land in a nonprofit cemetery is taxable only if it is used for nonburial purposes. Our  
 26 study has disclosed instances where portions of passively held cemetery land have been improved  
 27 and used for purposes completely unrelated to cemetery and burial usage. When this situation is  
 28 encountered, the property should be appraised at its highest and best use, whether it is for cemetery  
 29 or other purposes. However, if a nonprofit cemetery holds land for future burial use and does not  
 30 use it for other purposes, how much land should be granted a tax exemption is sometimes a difficult  
 31 question to answer. The appraiser should consult Assessors' Handbook 265, Cemetery Exemption,  
 32 refer to chapter 8 for guidance in determining the amount of passively held land in a nonprofit  
 33 cemetery that should be allowed an exemption. The recommended procedure is to estimate a  
 34 "reasonable" amount of land to be allowed a tax exemption. This involves estimating a rate of

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<sup>13</sup> Peebler v. Olds (1943 1942) 56 Cal.App.2d 8. Laurel Hill Cemetery Assn v. San Francisco (1947) 81 Cal.App.2D 371.

1 absorption – an estimate which is necessary not only for the determination of the tax exemption,  
2 but also for estimating the annual income.

3 There are several important factors to consider when forecasting the rate of sales or the time  
4 required to dispose of the plots. The principal factors are population trends and the effect of the  
5 total available burial space within the trading territory. This handbook has a further discussion of  
6 absorption rates in the section devoted to the income approach.

## 7 **ENDOWMENT CARE**

8 In California, most cemeteries are of the endowment care type. An endowment care cemetery is  
9 one whose owner has deposited a sum of money in a fund which is to be used to provide perpetual  
10 care, maintenance, and embellishment of the cemetery. State law makes provision for  
11 establishment of the endowment care funds.<sup>14</sup> Cemeteries established after 1955 must be of the  
12 endowment care type.<sup>15</sup> Legislation also provides that no new "nonendowment care" sections can  
13 be established, nor can an existing nonendowment care section be enlarged, in an endowment care  
14 cemetery.<sup>16</sup>

15 Sections 8738 and 8738.1 of the Health and Safety Code establish minimum amounts of money to  
16 be put into perpetual care fund. A newly formed cemetery corporation must deposit \$25,000 into  
17 an endowment care fund, or \$35,000 if established on or after January 1, 1977, before it can dispose  
18 of any plot or make any sale. After the initial deposit made by the cemetery association, the money  
19 added to the endowment care fund can be more, but not less, than the amount required by law. At  
20 the time of sale, the law presently requires that the following minimum amounts<sup>17</sup> be added to the  
21 fund:

- 22 • ~~\$1.25 per square foot of grave sites.~~
- 23 • ~~\$15 for each niche.~~
- 24 • ~~\$50 for each crypt, except for companion crypts, the deposit is \$50 for the first crypt and~~  
25 ~~\$25 for each additional crypt.~~

26 ~~These minimum rates were updated as recently as 1976, but some cemetery corporations still feel~~  
27 ~~that they are not in line with today's costs and should be increased.~~

- 28 • Either 10 percent of net price or \$250, whichever is greater, with a required deposit not to  
29 exceed \$10,000, for each grave.
- 30 • Either 10 percent of net price or \$150, whichever is greater, with a required deposit not to  
31 exceed \$10,000, for each niche.
- 32 • Either 10 percent of net price or \$250, whichever is greater, with a required deposit not to  
33 exceed \$10,000, for each crypt.

<sup>14</sup> Health and Safety Code sections 8700-8780.

<sup>15</sup> Id., section 8739.1.

<sup>16</sup> Id., section 8740.

<sup>17</sup> Id., section 8738, operative January 1, 2024.

- Either 10 percent of net price or \$150, whichever is greater, for the cremated or hydrolyzed remains of each deceased person scattered in the cemetery at a garden or designated open area that is not an interment site.

"Net price" means the retail price less any discounts the cemetery provides to consumers for the purchase of an interment space.

Not only are the minimum endowment care rates set by law, but the types of investments for which the funds can be used are regulated. These investments include, but are not limited to: (1) U.S. government bonds, (2) first mortgages on real estate, and (3) insured savings bank accounts.<sup>18</sup> The law is very specific and clearly states:

The principal of all funds for endowment care shall be invested and the income only may be used for the care, maintenance, and embellishment of the cemetery in accordance with the provisions of law and the resolutions, bylaws, rules, and regulations or other actions or instruments of the cemetery authority and for no other purpose. Endowment and special care ~~These funds shall~~ are to be maintained separate and distinct from all other funds, with and the trustees shall keep separate records being kept thereof.<sup>19</sup>

This means that only the interest or dividends earned by the fund can be used for maintenance and care of the cemetery.

Most public cemeteries do not have provisions for an endowment care fund. The maintenance is the responsibility of the governing body. A cemetery district has the option to establish an endowment care fund if the trustees so decide. Cemeteries owned and operated by religious organizations may be established without provisions for an endowment care fund.

The reasoning behind the requirement of endowment care cemeteries is that, when all the spaces are sold, the income from other sources is limited to the yield from incidental services. This revenue gradually declines and is inadequate to provide proper maintenance. Thus, besides compliance with state law, the need for future upkeep and observance of good business principles would demand creation of an endowment care fund at the inception of the enterprise.

## IMPROVEMENTS

A description of the cemetery business would be incomplete without mention of mausoleums and columbariums peculiar to interment use. A mausoleum is a building used for the interment of uncremated human remains. The building contains crypts into which the remains are placed. Crypts are typically located above ground and in rows.

Sections ~~9601-9600~~ 9600 – 9647 of the Health and Safety Code sets forth the structural and material requirements for both crypts and mausoleums. Mausoleums must be of Type I construction as

<sup>18</sup> Id., section 8751.

<sup>19</sup> Health and Safety Code section 8726.

1 prescribed by the Uniform Building Code and are usually one and two stories in height. The  
2 construction of mausoleums varies; however, many are standard block construction and consist of  
3 tier upon tier of cubicles made of reinforced concrete faced with a marble or stone veneer. The  
4 crypts are usually stacked six to eight high and two deep, on either side of a corridor. The size can  
5 vary, but crypts 32 inches wide, 25 inches high, and 90 inches long are not uncommon. Outdoor  
6 crypts are a variation of the entombment concept. These are rows of crypts usually located around  
7 a particularly well-landscaped area within the cemetery.

8 A columbarium is a structure or room that contains spaces used for cremated human remains; it is  
9 ~~frequently can be~~ located within a mausoleum or as a free standing structure (see photos ~~beginning~~  
10 on pages 66 61-63). The space used for placement of the urn is called a niche, and the act of placing  
11 ashes in an urn is called inurnment. This is generally the least expensive method of burial; however,  
12 the price of a deluxe niche can exceed that of either a crypt or a ground plot.

13 Many cemeteries are improved with a variety of miscellaneous buildings. Structures that are  
14 sometimes found on cemetery grounds are caretakers' residences, equipment sheds, mortuaries,  
15 casket-building shops, flower shops, and chapels.

## 16 **LAND UTILIZATION**

17 Early cemeteries are characterized by their gridiron-style subdivisions. This style is now largely  
18 obsolete and has given way to the more pleasing effects achieved through a variation in the size  
19 and shape of the subdivisions. As stated in the introduction to this handbook, the trend is away  
20 from the monument cemeteries to the modern memorial park development in which memorials are  
21 flush with the ground.

22 Since land is a sizable expense for the cemetery, maximizing grave sites is an important  
23 consideration. The appraiser will find that it is not unusual for graves to be mapped at 1,500 graves  
24 to the acre, with individual graves varying in size from 24 to 32 square feet. Above ground burial  
25 or entombment, of course, may far exceed these numbers, as caskets can be stacked 8 or 10 high  
26 in the typical mausoleum.

## CHAPTER 4: CEMETERY OPERATION

Private cemetery activities must be conducted by a corporation organized specifically for cemetery purposes. The articles of incorporation must state if the corporation is to be operated as a profit-seeking or nonprofit organization. We recommend that assessors be familiar with or have copies of the articles of incorporation of all private cemeteries in their respective counties. Please note that public cemetery districts do not have articles of incorporation.

### NONPROFIT CEMETERIES

Cemeteries, or portions of them, fall into a tax-exempt category when they are termed nonprofit. The courts have held that "profit" does not refer to the financial benefit that accrues to a cemetery association through the sale of burial space at a price in excess of its cost, but means net earnings which accrue directly or indirectly to the benefit of the stockholders or members of the association.<sup>20</sup>

Publicly owned cemeteries are nonprofit, as are most fraternal and church-owned cemeteries. Privately owned cemeteries can be either profit-seeking or nonprofit. Chapter 7 Assessors' Handbook 265, Cemetery Exemption, discusses this subject in more detail.

A nonprofit corporation can purchase land for a cemetery site and agree to pay the seller a percentage of the sales as part of the sales contract. If title is in the nonprofit corporation, the land may qualify for exemption, notwithstanding the percentage payments.<sup>21</sup> If the appraiser finds a situation such as this, the appraiser should try to determine whether the sale was an "arm's length" transaction between two parties, or whether the nonprofit corporation is an alter ego of the seller created for the purpose of making a profit for private interests. It is important that the appraiser distinguish between profit-seeking and nonprofit cemeteries, and be aware of any and all closely held subsidiary corporations or individuals within the cemetery corporation whose activities directly affect the cemetery operations. If the cemetery corporation can be shown to be an alter ego, no exemption should be allowed, and an escape assessment may be in order.

### PROFIT-SEEKING CEMETERIES

Profit-seeking cemeteries are privately organized and designed to return a net profit to their owners. State law forbids any ~~individual, firm, association, or corporation~~ corporation, copartnership, firm, trust, association, or individual to engage in or transact any of the business of a cemetery except by means of a corporation or limited liability company duly organized for such purposes (religious groups, fraternal orders, and public cemeteries excepted).<sup>22</sup>

A private cemetery corporation authorized by its articles to do so may establish, maintain, manage, improve, or operate a cemetery and conduct any or all of the business of a cemetery either for or

<sup>20</sup> *San Gabriel Cemetery Association v. County of Los Angeles* (1942) 49 Cal.App.2d 624.

<sup>21</sup> *Westminster Memorial Park v. Orange County* (1960), 54 Cal.2d 488.

<sup>22</sup> Health and Safety Code section 8252.

1 without profit to its members or stockholders.<sup>23</sup> The cemetery authority has broad powers in regard  
2 to the operation and management of its cemetery.<sup>24</sup> They can regulate the uniformity, class, and  
3 kind of markers, monuments, and structures. They can regulate the conduct of persons in the  
4 cemetery, and prescribe rules and regulations for the cemetery's operations. State law requires that  
5 the rules and regulations be plainly printed and subject to inspection in the office of the cemetery  
6 ~~corporation~~authority or in such a place within the cemetery as the ~~corporation~~authority may  
7 prescribe.<sup>25</sup>

DRAFT

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<sup>23</sup> Health and Safety Code section 8275.

<sup>24</sup> Id., sections 8300-8309.

<sup>25</sup> Id., section 8309.

# CHAPTER 5: VALUATION COMMENTS

## THE APPRAISAL PROBLEM

The first task facing the appraiser is to define the problem, that is, what is to be appraised. All property should be valued, even though part or all of it may be exempt from taxation. For instance, the value assigned to sold plots which are eligible for total exemption should reflect the current selling price of the plots. In the case of an exempt nonprofit cemetery, rather than expend the time to prepare a complete appraisal of the land, it may be reasonable to assign a land value similar to that estimated for a comparable profit-seeking cemetery. If there are no values for comparable profit-seeking cemeteries available to ~~him~~them, it is permissible to use a land value estimated from nearby land sales.

As in all appraisal problems, the appraiser must concern ~~himself~~themselves with the highest and best use concept. The highest and best use can be defined as that use which at the time of appraisal is most likely to produce the greatest net return over a given period of time. The benefits to be derived will vary with the use. Therefore, the present worth of the anticipated future benefits will depend upon probable use. The present use of a property is often its highest and best use. A cemetery is usually no exception.

"Use density" is an important factor in the analysis of highest and best use. The term "use density" is used in relation to supply. If, for instance, there are more cemeteries than a geographical area can normally be expected to absorb, the net return for each cemetery would tend to be less than it would in an area having fewer cemeteries.

Cemeteries can generate a high net return imputable to the land. If the supply and demand for cemetery land is favorable, we can expect an established cemetery to generate a higher net return than surrounding land. This may not be true, however, if the cemetery is located in the midst of high-value urban land.

When appraising a cemetery, a proper method is to value certain portions separately, and add them together to arrive at the total property value. This is considered necessary because only certain portions of the cemetery are conducive to an income approach. For valuation purposes a typical profit-seeking cemetery property might be divided into the following categories:

- Developed and unsold plots, for which the preferred method of appraisal is the income approach.
- Sold interment space, areas which can be assigned a value predicated on the sales price.
- Undeveloped land, for which a comparative sales approach is recommended.
- Mausoleum, columbarium, and outdoor crypts, for which an income approach is recommended.
- Other improvements and building sites, for which the cost approach is recommended.

1 The above categories may not always be applicable. If it is possible to impute a reasonable income  
2 to other improvements, an income approach may also be feasible for them.

3 A nonprofit cemetery may be valued in the same manner as the profit-seeking cemetery, provided  
4 sufficient data is available. A nonprofit cemetery might be appraised by considering the following  
5 portions separately:

- 6 • All developed grave areas and that amount of passively held land that will be used for  
7 interments in the reasonable near future. These areas are eligible for exemption and could  
8 be assigned values similar to those of comparable profit-seeking cemeteries.
- 9 • Columbariums, mausoleums, outdoor crypts, administrative offices, and in certain cases  
10 caretakers' residences. These improvements are eligible for property tax exemption. They  
11 may be valued by an imputed income approach or by the cost approach.
- 12 • All other improvements and improvement sites not essential to the operation of a cemetery,  
13 such as chapels, mortuaries, flower shops, and crematory. These improvements are not  
14 eligible for exemption and may best be valued by the cost approach.
- 15 • Passively held land that will not be used for interments within a reasonable period of time  
16 and all land dedicated to cemetery use but used for other purposes. This land is not eligible  
17 for exemption, and a market sales approach is recommended for its appraisal.

## 18 LAND VALUE

### 19 PROFIT-SEEKING CEMETERY

20 The appraiser will have to do more than analyze nearby land sales in order to estimate the value of  
21 cemetery land accurately. An analysis of the anticipated net income (income approach) should be  
22 made so as to arrive at a more valid estimate of land value. Properly located cemetery land can  
23 generate a very high net return. A cemetery is not considered an ordinary business property, and  
24 an ordinary income approach cannot be utilized. The method of valuing developed and unsold  
25 grave spaces can be likened to the method sometimes used in valuing subdivision lots. For lack of  
26 a better name we will call it the development method. To employ this method it is necessary for  
27 the appraiser to obtain or estimate the following:

- 28 • Gross annual income from all sources.
- 29 • Total annual expenses.
- 30 • Total annual income from the sales of interment space. This can be broken down into sales  
31 of plots, sales of crypts, and sales of niches. When this is determined, a ratio should be  
32 computed to find the approximate percentage of the total expenses which will be  
33 attributable to the sale of interment space. For example, if the total annual advertising  
34 expenses for the cemetery were \$25,000 and sales of plots accounted for 30% of the annual  
35 gross income, then 30% of \$25,000 could be allocated for advertising expenses attributable  
36 to plot sales.
- 37 • The estimated rate of sales and annual income.

- 1 • The total value at current selling prices of all developed and unsold space; and the estimated  
2 disposal period.
- 3 • Nonrecurring development costs,— if possible, on a per-acre basis.
- 4 • An estimate of entrepreneur's profit.
- 5 • A capitalization rate.

6 The appraiser can process the income to arrive at an estimated annual net income from sales of  
7 plots. This estimate of net income should be multiplied by the appropriate present worth factor to  
8 arrive at an estimate of land value. An entrepreneur's profit deemed appropriate by the appraiser  
9 can then be subtracted from this figure to arrive at the final estimate of value for the developed  
10 and unsold plots.<sup>26</sup> The land value for undeveloped land can best be estimated by use of the market  
11 sales approach.

12 Land value for a columbarium, mausoleum, or lawn crypt can be estimated by use of an income  
13 approach. This approach is applied by estimating annual net income attributable to the sales of  
14 niches or crypts. Here again the economic life of the income stream must be estimated on the basis  
15 of the time required to liquidate all spaces. The appropriate present worth factor is multiplied by  
16 the estimated annual net income to arrive at the value of the land and improvements (columbarium,  
17 mausoleum, or lawn crypt). From this figure, improvement value, as estimated by use of the cost  
18 approach, is subtracted to get the land value.<sup>27</sup>

## 19 **NONPROFIT CEMETERY**

20 When valuing a nonprofit cemetery, the appraiser may value the land by use of the following  
21 methods:

- 22 • Sold plots and developed lands<sup>28</sup> are eligible for total exemption. Even so, these areas should  
23 be valued. The value can be estimated by analysis of comparable land sales, or the values  
24 assigned can be based upon those used for comparable profit-seeking cemeteries.
- 25 • Passively held land should be valued at its highest and best use by means of the market  
26 comparison approach. If the passively held lands are being used to produce income, the  
27 income approach may be applicable. Certain passively held lands are eligible for exemption.
- 28 • The building sites for mausoleums, columbariums, and outdoor crypts are eligible for  
29 exemption; their values should be estimated by use of the development cost approach.
- 30 • The remainder of the improvement sites may best be valued by comparison with recently  
31 sold land parcels. Since it is unlikely that any sales of cemetery improvement sites will  
32 occur, the appraiser will have to use their best judgment when analyzing sales. It may be  
33 possible to impute an income to certain miscellaneous buildings and sites within a cemetery.

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<sup>26</sup> See case study (chapter 6).

<sup>27</sup> See case study (chapter 6).

<sup>28</sup> Developed land is interment property that has been subdivided, prepared, and made available for sale.

1 If a reasonable income can be imputed, then the income approach may be the most valid  
2 appraisal method.

### 3 IMPROVEMENT VALUE

4 The cost approach is considered the best method of estimating the value of improvements on  
5 cemetery property. These improvements are not normally sold individually, as they represent only  
6 a segment of an operating business. Economic rents usually cannot be found in the market because  
7 of the lack of comparability of rental properties to the subject property. Even in those cases when  
8 an income approach is used to estimate value for the mausoleum, columbarium, and outdoor  
9 crypts, the cost approach is necessary to segregate reasonably the value of land and improvements.

10 Mausoleum, crematories, columbariums, and crypts are structures that ~~lack uniformity and~~ are  
11 relatively scarce, so the appraiser may have difficulty obtaining their replacement costs.  
12 Contractors and owners of new structures are apt to be the best source of cost information.  
13 Historical costs can be very helpful to the appraiser provided they include all direct and indirect  
14 costs. Often cemetery owner-builders expense out, rather than capitalize, labor costs of  
15 mausoleums, landscaping, and land improvements. Special attention should be given to  
16 obsolescence when valuing older structures, which may include elements no longer replaceable or  
17 no longer available.

18 Most other improvements such as a caretaker's residence, office buildings, chapels, greenhouses,  
19 flower shops, and miscellaneous buildings can be valued by cost estimates based on the applicable  
20 building cost sections of the Assessors' Handbook or other commercially available cost guides.  
21 When estimating the cost of a chapel, it may be necessary to use modified funeral home costs.

22 Mortuaries, casket-building shops, offices, chapels, and flower shops may very well be income  
23 producing and conducive to both cost and income analysis. However, a significant portion of the  
24 income from the above sources is often attributable to services, and unless the income can be  
25 accurately allocated, the cost approach is recommended.

### 26 DEPRECIATION

27 Accrued depreciation is the total value loss from all causes or the difference between replacement  
28 cost new and present worth. Depreciation results from three forces that operate separately or  
29 together: physical deterioration, functional obsolescence, and economic obsolescence. These three  
30 causes of depreciation are all applicable to cemetery property.

31 It may be useful to categorize depreciation into its three causes since this knowledge is helpful in  
32 making a percent-good estimate. Physical deterioration is a lessening of value because of some  
33 physical change in the structure which lowers its utility. Functional obsolescence is a lessening of  
34 value because of some nonphysical changes in the desirability of a structure. Economic  
35 obsolescence is a lessening of value because of some adverse factors outside the property which  
36 decrease the desirability of the neighborhood in which it is located.

1 The estimation of accrued depreciation of cemetery improvements is not unlike that of other types  
 2 of property with a couple of exceptions. By their very nature, columbariums, mausoleums, and  
 3 outside crypts are designed to have a very long physical life. The perpetual-care funds theoretically  
 4 provide for maintenance into perpetuity. The economic life of these improvements is governed by  
 5 the rate of sales.

6 We have noted aspects of functional obsolescence in the trend from monument cemeteries to  
 7 lawn-type cemeteries. Functional obsolescence is also seen by comparing the improvements found  
 8 in some older cemeteries with the chapels, offices, residences, and miscellaneous buildings in new  
 9 developments. Economic obsolescence can affect a cemetery and can be measured only from loss  
 10 of revenue. Sales patterns and desirability of spaces would have to be compared with those of other  
 11 cemeteries in the area to make a valid estimate of economic obsolescence.

12 Generally speaking, cemeteries suffer less from obsolescence than most other types of properties.  
 13 Their operation is actually fairly flexible. Additions can be made to structures incorporating new  
 14 developments; chapels, shops, and miscellaneous structures can be added, remodeled, or replaced.

15 It is suggested that the accrued depreciation of the improvements in a cemetery be analyzed  
 16 individually, structure by structure, to estimate physical deterioration and functional obsolescence.  
 17 After this has been done, the appraiser should examine the property as a unit to estimate any  
 18 economic obsolescence. This will be difficult to measure, and the appraiser must use careful  
 19 judgment when estimating a loss of income due to economic obsolescence.

## 20 **SUMMARY**

21 The appraisal of cemeteries may involve all three of the traditionally accepted approaches to value,  
 22 although not in the form of a total property appraisal. For almost all cemeteries, we recommend  
 23 that the total property be split into segments and the operating units be appraised separately.

### 24 **COST APPROACH**

25 The cost approach is recommended for use when the cemetery to be appraised is of the nonprofit  
 26 type and an imputed income approach is not feasible. The cost approach involves the summation  
 27 of an independently estimated land value and the depreciated replacement cost of structures and  
 28 land improvements. The land is valued as if owned in fee and available for development at its  
 29 highest and best use.

30 The cost approach should also be used when appraising some portions of a profit-seeking  
 31 cemetery. The cost approach is generally the only approach available to the appraiser when  
 32 estimating value of certain improvements that are located on many profit-seeking cemeteries.

### 33 **THE SALES COMPARISON APPROACH**

34 The sales comparison approach is based upon the premise of comparing like with like; that is,  
 35 comparison of the subject cemetery with similar cemeteries that have recently sold. As stated  
 36 previously, the comparative sales approach provides little assistance to the appraiser in estimating

1 the value of developed cemeteries. Undeveloped land of both profit-seeking and nonprofit  
2 cemeteries can be valued by this method.

3 **THE INCOME APPROACH**

4 An income approach is the preferred method of valuing certain portions of profit-seeking  
5 cemeteries. This approach may also be considered for valuing portions of a nonprofit cemetery.

6 Those portions of a profit-seeking cemetery that can be valued by use of an income approach are:

- 7 • The land that is unsold and developed for grave sites.
- 8 • Columbariums.
- 9 • Mausoleums.
- 10 • Outdoor crypts.

11 An example of this approach as applied to the unsold developed burial plot area is the following:

<b>A study indicates that the available plots will be sold within 30 years.</b>		
<b>Total retail value of all unsold plots (10 acres)</b>		
1,000 plots @ \$1,000	=	\$1,000,000
8,000 plots @ \$3,000	=	\$24,000,000
2,000 plots @ \$3,500	=	\$7,000,000
1,000 plots @ \$4,000	=	<u>\$4,000,000</u>
Total Land Revenue		<u>\$36,000,000</u>

12

<b>Expenses attributable to plot sales (annual)</b>		
Professional		\$20,000
Wages		400,000
Utilities		15,000
Supplies		5,000
Auto & Truck		5,000
Insurance		15,000
Advertising		40,000
TOTAL		<u>\$500,000</u>
	\$500,000 x 30 years =	\$15,000,000
Commissions		
	\$36,000,000 x 20% <sup>29</sup> =	<u>\$7,200,000</u>
Total Expenses		<u>\$22,200,000</u>
Gross Retail Value		\$36,000,000
Less Expenses		<u>\$22,200,000</u>
		\$13,800,000
Less Entrepreneur's Profit (20%) <sup>28</sup>		<u>-\$2,760,000</u>
Net (over 30 years)		<u>\$11,040,000</u>

1

<b>Land Calculations</b>		
Net Income Per Year	(\$11,040,000 ÷ 30 years)	\$368,000
Capitalization rate	(as estimated by appraiser)	12%
Present worth factor of a 30-year annuity at 12%		8.055
Total land value	(8.055 x \$368,000)	\$2,964,240
Per acre value.	(\$2,964,240 ÷ 10 acres)	<u>\$296,424</u>

2 When applying the method illustrated in the above example, the appraiser will have to make  
3 several estimates, including the rate of sales and the capitalization rate. There has been no  
4 deduction for maintenance, as the endowment care fund will offset this expense (in some cases  
5 this will not be true). The expenses shown are those attributable to the sale of plots only. These  
6 expenses may be separately computed by the cemetery association, but if they are not, they can be  
7 estimated from the total expense for plot sales. To do this the percentage of total gross income  
8 attributable to the sale of plots must be estimated and applied to the total expense for that item.  
9 For example, if the sale of plots provides 30 percent of the gross income, it could be reasonably  
10 assumed that 30 percent of the total professional expense is attributable to the sale of plots.

11 The recommended method for valuing the mausoleum, columbarium, and outdoor crypts is a  
12 variation of the property reversion method. Income is set up as a terminal series of income  
13 payments, and the entire net income is processed to indicate the total property value. There is no  
14 reversionary land value to add to this figure. The split between land and improvements is made by  
15 use of the cost approach. An example of this approach is shown in the case study ~~at the end~~  
16 included in chapter 6 of this handbook.

<sup>29</sup> This percentage figure is an example only.

1 A weakness in the income approach is the difficulty in estimating a reliable capitalization rate. The  
 2 lack of market sales may make it necessary to use the band-of-investment method to arrive at a  
 3 proper capitalization rate.

4 In estimating a rate of return on equity capital, the appraiser should consider the nonliquidity of  
 5 cemetery property, the risk in relation to other types of investments, and the long period of time  
 6 needed to dispose of the assets. They must also be aware of factors that may affect the salability  
 7 of the cemetery and thus alter the projected disposal time. A survey of the equity earnings of local  
 8 cemetery proprietors and those of other long-term investments will help in estimating the rate of  
 9 return on equity capital.

10 An example of the band-of-investment method of deriving a capitalization rate follows:

<b>Band of Investment Capitalization</b>	
Debt component (from <u>commercial</u> mortgage market)	4.5 %
Equity component (estimated)	+ <u>6.25</u>
Yield rate	= 10.75%

11 To this we add a rate for taxes, say  $2\frac{1}{2}$ -1.25 percent, giving a composite capitalization rate of 13  
 12 12 percent. Additional market research also supported an overall capitalization rate of 12 percent.

13 The absorption rate or the annual number of plot sales must be carefully estimated in order to  
 14 process the income into a reasonable value estimate. The appraiser should study historical trends  
 15 and make a thorough investigation of sales activity to forecast the time required to dispose of the  
 16 grave spaces. Such a study might embrace any or all of the following:

- 17 • Population trends in the trade area.
- 18 • Mortality rates in the trade area.
- 19 • Competition from other available cemeteries.
- 20 • Yearly sales records of competitive cemeteries.
- 21 • The subject property yearly sales record. Particular attention must be given to "pre-need"  
 22 sales promotion. Heavy emphasis on such sales will distort absorption estimates made on  
 23 the basis of population and mortality trends.

24 Cemetery operators are continually devising new and original interment practices. Some of these  
 25 innovations are designed to extend the remaining economic life of the cemetery. An extension  
 26 could be accomplished by increasing the use density. Many appraisers liken the use density of  
 27 cemeteries to that of residential zoning; that is, a single-capacity ground plot is equivalent to  
 28 R-1 usage, two interments within the same plot to R-2, mausoleum interments to R-3, and  
 29 columbarium interments to R-4.

30 The sales records of the cemetery being appraised are an excellent starting point from which to  
 31 estimate a future rate of sales. Sales in past years will indicate a steady, rising, or declining sales

1 pattern. This trend should be analyzed with regard to economic considerations such as anticipated  
2 competition, obsolescence, mortality rates, population trends, and sales promotions. It is important  
3 to review the sales estimates frequently and to make necessary changes. When reviewing the  
4 projected sales rate, the appraiser should also review the price schedule at the same time.

5 Owners of profit-seeking cemeteries, like the owners of other commercial enterprises, are  
6 motivated by income incentives. The income stream is neither uniform nor stable throughout the  
7 economic life of the enterprise. This is due to competitive and economic conditions as well as the  
8 promotional policies employed. The net income stream on an ideal sequence of cemetery  
9 development could be plotted as a bell-shaped curve. However, the income stream is different than  
10 that of commercial property in general. The income stream we are attempting to process is income  
11 from the sale of a wasting asset (both land and improvements). It can be likened to the income  
12 from a gravel pit or from the sale of subdivision lots. The income must be treated as a terminal  
13 series of payments.

# CHAPTER 6: CASE STUDY

## INTRODUCTION

The following illustration is not meant to represent a typical cemetery. It is designed to encompass situations and problems that the appraiser might encounter in his appraisals of actual cemetery property. This example is of a profit-seeking cemetery, the same techniques may apply to some nonprofit cemeteries.

The articles of incorporation indicate that the subject property is a profit-seeking, endowment-care memorial cemetery. The cemetery was established and developed approximately 20 years ago, and the improvements were constructed at that time. The cemetery appears attractive, well managed, and profitable. It is located in a city of over 100,000 population in California. ~~The cemetery was established and developed approximately 20 years ago, and the improvements were constructed at that time.~~ The surrounding neighborhood is generally used for single-family residences, with some strip commercial usage along the main arterials.

## SUBJECT PROPERTY DATA

### PROPERTY DESCRIPTION

The subject property consists of 80 acres of land utilized as a profit-seeking cemetery. A total of 33 acres have been developed with burial plots, of which approximately 8 acres of plots have been sold and 25 acres have been developed and are available for sale. There are about 42 acres of undeveloped land, and the building sites cover 5 acres. The improvements are 20 years old and include an office, mausoleum-columbarium, crematory, mortuary, flower shop, chapel, caretaker's residence, and miscellaneous sheds.

### IDENTIFICATION

The subject property is identified in the official county records as assessor's parcel number 123-04-002. It is located in tax-rate area 248. Under Proposition 13, the tax component is estimated to be 1.25 percent. ~~The 1970-71 tax rate is \$9 per \$100 of assessed value.~~

$$\text{\$9.00 tax rate} \times 5\% \text{ ratio} \div 100 = 2.25\% \text{ tax component}$$

### Owner of Record

Poppy Hills Cemetery Association  
 \_\_\_\_\_ 13000 Elm Street \_\_\_\_\_  
 \_\_\_\_\_ Phone 445-4982 \_\_\_\_\_

### Address

The property is located at 13000 Elm Street.

1 **Site Description**

2 The subject is located on undulating land. No extraordinary site development costs were  
3 encountered.

4 **Soils**

5 Soils appear to be stable and suitable for cemetery use. The drainage is good.

6 **Utilities**

The following utilities and services are available to the property	
Natural Gas	PG&E
Electricity	PG&E
Water	City Service
Sewer	City Service
Telephone	AT&T

7 **Highest and Best Use**

8 The present use of the land is considered to be its highest and best use.

9 **History**

10 ~~The subject land was purchased as one parcel in May, 1948, for \$64,000 (\$800 per acre). The land~~  
11 ~~was dedicated for cemetery usage in September, 1948. The cemetery was developed during 1949~~  
12 ~~and opened for business on January 5, 1950. All structures except the flower shop and casket-~~  
13 ~~building shop, were built during 1949. The flower shop and casket building shop were finished in~~  
14 ~~1960.~~

15 **Neighborhood**

16 The subject is located on the east side of Elm Street approximately 2 miles south of the intersection  
17 with Interstate Highway 5. Elm Street is developed to strip commercial and light industrial use.  
18 Improvements are relatively new and reflect reasonable maintenance.

19 Elm Street is an 80-foot, well-surfaced street carrying two-way intercity traffic. It has a median  
20 strip and provisions for left turns at 800 foot intervals. Recent traffic counts show an average of  
21 5,500 cars in a 24-hour period. The demand for land in the neighborhood is still relatively strong  
22 and there have been recent acreage sales of various sized parcels nearby.

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**LAND DESCRIPTION**

The subject property consists of 80 acres of land broken down as follows:

Developed burial land (including sold plots)	33 acres
Undeveloped land	42 acres
Building sites:	
Office	0.50
Mausoleum and columbarium	0.75
Crematory	0.25
Mortuary	0.50
Flower shop	0.25
Chapel and parking lot	0.75
Caretaker's residence	0.25
Maintenance sheds and vacant yard area	<u>1.75</u>
	<u>5 acres</u>
<b>TOTAL</b>	<b>80 acres</b>

The burial-plot portion of the cemetery has been subdivided in such a way as to have approximately 90% of the total land for grave sites and 10% for incidental use. There are a total of 46,200 plots in the 33 acres developed into grave sites, or 1,400 plots per acre.

<b>The average size of a plot is 28 sq. ft.</b>	
1,400 plots per acre x 28 sq. ft. =	39,200 sq. ft.
43,560 sq. ft. per acre - 39,200 sq. ft. =	4,360 sq. ft.
4,360 sq. ft. = approximately .10 acres	

The land has been developed in such a way as to provide maximum plot density and still have sufficient incidental land to fulfill aesthetic requirements.

The cemetery corporation has leased its undeveloped land to a local rancher at a nominal fee for use as horse grazing.

**IMPROVEMENTS**

The improvements on the subject property are listed below. For the purposes of this illustration we have assumed the replacement cost less accrued depreciation values shown below to be accurate. We have omitted such items as building descriptions, condition, age, and cost for the sake of brevity. Cost approach procedures are substantially the same for cemetery improvements as for improvements on other types of property.

<b>Improvement</b>	<b>Site Acreage</b>	<b>Replacement Cost Less Accrued Depreciation</b>
Mausoleum-columbarium	0.75	\$1,980,000
Office	0.50	100,000
Crematory	0.25	100,000
Mortuary	0.50	500,000
Flower shop	0.25	75,000
Chapel	0.75	250,000
Caretaker's residence	0.25	75,000
Misc. sheds	1.75	25,000

### INTERMENT SPACE

1  
2 Shown below is a recap of the interment space in the cemetery.

	<b>Total</b>	<b>Sold</b>	<b>Unsold</b>	<b>Percent Unsold</b>
Grave plots	46,200	11,200	35,000	75
Crypts	3,360	840	2,520	75
Niches	8,670	1,750	6,920	80

3 The total acreage developed into grave space, both sold and unsold, is 33 acres. There is a total of  
4 46,200 plots or an average of 1,400 per acre (including children's graves). The plots average 28  
5 sq. ft. each, and this gives an average of 4,360 sq. ft. per acre for incidental use at a 10% factor.<sup>30</sup>

6 The following estimate of the rate of sales has been estimated by an analysis of the past sales  
7 history of the cemetery, competition from other cemeteries, vital statistics, population trends in the  
8 market area, and the sales program planned by the owner of the subject property.

	<b>Number Unsold</b>	<b>Estimated Yearly Sales</b>	<b>Estimated Time To Sell All Spaces</b>
Plots	35,000	700	50 years
Crypts	2,520	63	40 years
Niches	6,920	173	41-40 years

9 From the above data, the developed plots are estimated to be sold within 50 years, and mausoleum-  
10 columbarium space within 40-41-40 years.

### INCOME AND EXPENSES

11  
12 Past sales of ~~burial~~ interment space.

<b>Item</b>	<b>Number Sold</b>	<b>Average Price</b>	<b>Total</b>
Grave plots	11,200	\$1,500	\$16,800,000
Crypts	840	2,000	1,680,000

<sup>30</sup> 10% incidental land is not meant to be shown as an average for all cemeteries; most will probably show a higher percentage of incidental land use. See AH-265, *Cemetery Exemption*, chapter 7 for computation of the allowable exemptions for incidental land among sold plots.

Niches	1,750	400	<u>700,000</u>
<b>TOTAL</b>			<b><u>\$19,180,000</u></b>

1 Estimated future gross income from sales of interment space.

Item	Number Sold	Average Price	Total
Grave plots	35,000	\$3,000	\$105,000,000
Crypts	2,520	5,000	12,600,000
Niches	6,920	1,000	<u>6,920,000</u>
<b>TOTAL</b>			<b><u>\$124,520,000</u></b>

2 Estimated future gross annual income from sales of ~~cemetary~~ interment space.

Item	Number Sold	Average Price	Total
Grave plots	700	\$3,000	\$2,100,000
Crypts	63	5,000	315,000
Niches	173	1,000	<u>173,000</u>
Total Estimated Gross Income <sup>31</sup>			<b><u>\$2,588,000</u></b>

3 Estimated annual gross income from sales and services not attributable to the real estate plus  
4 estimated future gross annual income from sales of interment space.

Sales Activities	Gross Income			
Opening and closing graves (Children's graves averaged with adult graves)	240	@	\$800	\$192,000
Bronze memorials	240	@	\$100	24,000
Setting memorials	240	@	\$10	2,400
Cremations (each)	70	@	\$700	49,000
Urns (average price)	70	@	\$100	7,000
Sealing crypts	64	@	\$100	6,400
Interments and inurnments	374	@	\$200	74,800
Mortuary				280,000
Flower shop				30,000
Miscellaneous				12,000
Interest from installment sales 8% on amount due				16,000
<b>Endowment care fund (see comments below)</b>				
• Initial investment in fund			\$35,000	
• Plot sales (accrued balance)			235,200	
• Crypt sales (accrued balance)			33,600	
• Niche sales (accrued balance)			<u>17,500</u>	
Total in fund at time of appraisal			<u>\$321,300</u>	
Yearly income from endowment care fund <sup>32</sup>	5% x \$321,300			<u>16,065</u>
<b><u>TOTAL</u></b> Income from other than sales of interment space			\$	<u>709,665</u>
Income from sales of <del>cemetary</del> interment space			\$	<u>2,588,000</u>

<sup>31</sup> Income from sales of interment space (plots, crypts, niches) only. The income from other sources is not included.

<sup>32</sup> The endowment care fund has a present annual income of 5%.

<b>Total annual income from all sources</b>	<b>\$ 3,297,665</b>
---------------------------------------------	---------------------

Health and Safety Code sections 8738 and 8738.1 indicate the following for endowment care fund fees:

\$25,000 initial deposit if cemetery was established prior to January 1, 1977.

\$35,000 initial deposit if cemetery was established on or after January 1, 1977.

The following fees were effective January 1, 2024:

- (1) Either 10 percent of net price<sup>33</sup> or \$250, whichever is greater, with a required deposit not to exceed \$10,000, for each grave.
- (2) Either 10 percent of net price or \$150, whichever is greater, with a required deposit not to exceed \$10,000, for each niche.
- (3) Either 10 percent of net price or \$250, whichever is greater, with a required deposit not to exceed \$10,000, for each crypt.
- (4) Either 10 percent of net price or \$150, whichever is greater, for the cremated or hydrolyzed remains of each deceased person scattered in the cemetery at a garden or designated open area that is not an interment site subject to paragraph (1).

#### Estimated annual expenses attributed to the sales of interment space.

Sales commissions <sup>34</sup>			
Grave plots	700 x \$3,000 x 20%	=	\$420,000
Crypts			
Mausoleum	63 x \$5,000 x 20%	=	63,000
Niches	173 x \$1,000 x 20%	=	<u>34,600</u>
<b>Total commissions</b>			<b>\$517,600</b>
<u>Cost of goods sold: plots</u>	700 x \$20		14,000
<u>Cost of goods sold: crypts</u>	63 x \$220		13,860
<u>Cost of goods sold: niches</u>	173 x \$30		5,190
Advertising <sup>35</sup>			60,000
Legal and professional <sup>34</sup>			20,000
Travel and insurance			20,000
Management <sup>34</sup>			80,000
Salaries <sup>34</sup>			400,000

<sup>33</sup> "Net price" means the retail price less any discounts the cemetery provides to consumers for the purchase of an interment space.

<sup>34</sup> Commissions have been averaging 20%; although at times commissions on pre-need grave plot sales have been as high as 40%. (At-need sales may not be subject to commissions.)

<sup>35</sup> These estimated expenses are attributable to the sales of interment space only. This percentage is estimated by finding the ratio between the total income of the cemetery and the income attributable to the sales of interment space. This ratio is then applied to the total expenses for such items as advertising, legal and professional services, administration, etc.

Utilities <sup>34</sup>	20,000	
<b>Maintenance and reserves for replacements<sup>36</sup></b>	-----	<b><u>633,050</u></b>
<b>Total annual expenses</b>		<b><u>1,150,650</u></b>

1 Cost of goods sold for plots, crypts and niches:

2 Plots = \$20 rounded (Original cost of land plus development costs divided by total plots).

3 Crypts = \$220 and Niches = \$30 rounded (\$1,000,000 approximate original cost of mausoleum  
 4 and columbarium; which translates to \$740,000 attributed to the 3360 total crypts and \$260,000  
 5 attributed to the 8670 total niches).

6 NOTE: In situations where one is unable to obtain a sufficient itemized list of expenses, then it  
 7 may be appropriate and reasonable to apply a one-line item for expenses based on a percentage of  
 8 gross sales or gross income. Market research should support your expense percentage.

### 9 CAPITALIZATION RATE

10 The capitalization rate has been estimated by careful analysis, recognizing the risks involved, the  
 11 length of time required to enjoy a profit, and knowledge of current lending and investment trends.

12 The rate is estimated by the band-of-investment method in the following example:

Debt component (from <u>commercial</u> mortgage market)	4.50%
Equity component (estimated)	6.25
Tax component	<u>1.25</u>
Capitalization rate	<u>12.00%</u>

13

<b>Valuation of the Unsold Developed Grave Plots</b>		
<b>Total plots</b> (developed and unsold, average retail value per plot) 35,000 x \$3,000 <sup>37</sup>		<b><u>\$105,000,000</u></b>
<b>Estimated annual expenses</b>		
Commissions	\$420,000	
Cost of goods sold: plots	14,000	
Advertising <sup>38</sup>	53,100	
Legal and professional <sup>37</sup>	17,700	
Travel and insurance <sup>37</sup>	17,700	
Management <sup>37</sup>	70,800	
Salaries	354,000	
Utilities	17,700	

<sup>36</sup> The income from the perpetual care fund will be used to offset these expenses.

<sup>37</sup> It is estimated that all plots will be sold in 50 years.

<sup>38</sup> Expenses are approximately 88.5% of the total allocated to the unsold plots. The other 11.5% is allocated to the sale of crypts and niches. These expenses allocated in proportion to sales of the respective types of interment space.

Maintenance/caretaking <sup>39</sup>	-----	
<b>Total annual expenses</b>	<b><u>\$965,000</u></b>	
\$965,000 x 50 years --- total expenses		<u>\$48,250,000</u>
<b>Total retail value of the plots</b>		<b>\$105,000,000</b>
Total expenses over 50 years		<u>48,250,000</u>
Total net income over 50 years		<u>\$56,750,000</u>
Average annual net income over a 50-year period.		
\$56,750,000 ÷ 50 years = \$1,135,000		
\$1,135,000 x 8.30 (present worth factor of a 50-year annuity at 12%)		\$9,420,500
Entrepreneur's profit 20%		<u>1,884,100</u>
Land value		<u>\$7,536,400</u>
<b>The estimated value of the developed/unsold gravesites, is rounded to (25 acres at \$300,000 per acre)</b>		<b><u>\$7,500,000</u></b>

1

<b>Valuation of the Mausoleum and Columbarium</b>		
Estimated time required to sell all spaces		40 years
Estimated replacement cost of improvements		\$3,000,000
Age of improvements		20 years
Estimated remaining economic life		40 years
Depreciation: Remaining economic life indicates improvements are 66% good. (The improvements are 20 years old, and it is estimated the space will be sold in 40 years.)		
\$3,000,000 at 66% good indicates a taxable improvement value of <b>\$1,980,000</b> .		
<b>Income</b>		
2,520 unsold crypts @ \$5,000 <sup>40</sup>	\$12,600,000	
6,920 unsold niches @ \$1,000 <sup>39</sup>	<u>6,920,000</u>	
Total estimated gross income	<u>\$19,520,000</u>	
<b>Average annual gross income: 19,520,000 ÷ 40 years =</b>		<b>\$488,000</b>
<b>Expenses (annual)</b>		
Commissions	\$97,600	
Advertising	6,900	
Legal and professional	2,300	
Travel and insurance	2,300	
Management	9,200	
Salaries	46,000	
Utilities	<u>2,300</u>	
Total Expenses		<u>-166,600</u>
<b>Annual net income</b>		<b><u>\$321,400</u></b>
<b>Estimate of taxable value</b>		
Net income \$321,400 x 8.244		\$2,649,622
(Factor for P.W. of 1 per annum at 12% for 40 years)		
Entrepreneur's profit (20%)		<u>-529,924</u>

<sup>39</sup> This expense is borne by the endowment care fund.

<sup>40</sup> Average asking price of the remaining space.

Estimated value of land and improvements		\$2,119,698
<b>Taxable improvement value (from cost estimate)</b>		<b><u>-1,980,000</u></b>
<b>Taxable land value</b>		<b><u>\$139,698</u></b>
<b>Rounded to</b>		<b>\$140,000</b>
<b>Exemption Calculation:</b>		
25% of the crypts and 20% of the niches have been sold and are exempt. It is therefore estimated that 22.5% of the improvement <sup>41</sup> and 22.5% of the site is exempt.		
Total value of improvements	<b>\$1,980,000 ÷ .775</b>	\$2,554,839
Total value of land	<b>\$140,000 ÷ .775</b>	\$180,645

1 (There may be instances where the appraiser will elect to use a building residual.)

<b>Valuation of the Remaining Improvements and Site</b>		
<b>The cost approach is utilized to estimate the value of the following improvements:</b>		
Office	\$100,000	
Crematory	100,000	
Mortuary	500,000	
Flower shop	75,000	
Chapel	250,000	
Caretaker's residence	75,000	
Miscellaneous sheds	<u>25,000</u>	
<b>Total improvement value</b>		<b>\$1,125,000</b>
<b>Land value</b> (estimated from market sales: \$60,000 per acre x 4.25 acres)		<b><u>255,000</u></b>
<b>Total value</b>		<b><u>\$1,380,000</u></b>

2 **VALUATION OF THE UNDEVELOPED LAND**

3 Market sales of comparable vacant parcels of land indicate the value of the undeveloped land on  
 4 subject property to be \$25,000 per acre. (42 acres x \$25,000 per acre = \$1,050,000)

<b>Final Estimate of Value</b>			
	<b>Acreage</b>	<b>Full Value</b>	<b>Taxable Value</b>
<b>Land value</b>			
Burial plots sold	8.00	2,400,000	-0-
Burial plots unsold	25.00	7,500,000	7,500,000
Mausoleum and columbarium site	0.75	180,645	140,000
Miscellaneous improvement sites	4.25	255,000	255,000
Undeveloped land	42.00	<u>1,050,000</u>	<u>1,050,000</u>
Total Land Value		\$11,385,645	8,945,000
<b>Rounded To</b>		<b><u>\$11,385,000</u></b>	<b><u>\$8,945,000</u></b>
<b>Improvement value</b>			
Mausoleum and columbarium		\$2,554,839	\$1,980,000

<sup>41</sup> Weighted average between crypt and niche value.

Office	100,000	100,000
Crematory	100,000	100,000
Mortuary	500,000	500,000
Flower shop	75,000	75,000
Chapel	250,000	250,000
Caretaker's residence	75,000	75,000
Miscellaneous sheds	<u>25,000</u>	<u>25,000</u>
Total improvement value	\$3,679,839	\$3,105,000
<b>Rounded To</b>	<b><u>\$3,679,000</u></b>	<b><u>\$3,105,000</u></b>
<b>Recap</b>		
Total improvement value	\$3,679,000	\$3,105,000
Total land value	<u>\$11,385,000</u>	<u>\$8,945,000</u>
<b>Total real property value</b>	<b><u>\$15,064,000</u></b>	<b><u>\$12,050,000</u></b>

1

## CHAPTER 7: CEMETERY EXEMPTION

This portion of the handbook presents current concepts and legal interpretations of the cemetery exemption which is provided for in section 3(g), of article XIII of the California Constitution and section 204 of the Revenue and Taxation Code. It contains information, opinions, and guidelines to assist assessors in carrying out the law relating to the exemption.

### CONSTITUTIONAL, STATUTORY, AND CASE LAW

#### CALIFORNIA CONSTITUTION

- Section 3(g), article XIII – Exemption of Burial Property for the Human Dead
- Section 6, article XIII – Failure to Claim Exemption shall be Deemed a Waiver
- Section 14, article XIII – Situs. All property taxed by local government shall be assessed in the county, city, and district in which it is situated.

#### REVENUE AND TAXATION CODE PROVISIONS

- Section 204 – Cemetery Exemption Specified
- Section 251 – Forms and Procedures Prescribed by the State Board of Equalization
- Section 254 – Annual Exemption Affidavit
- Section 255 – Time for Filing Affidavit
- Section 256.5 – Cemetery Exemption Affidavit Contents
- Section 260 – Waiver of Exemption
- Section 270 – Late Filing
- Section 271 – Property Acquired After Lien Date; Organizations Not Existing On Lien Date
- Section 465 – Destroying Documents

#### HEALTH AND SAFETY CODE PROVISIONS

- Section ~~8100~~7003 – Definition of Cemetery
- Section 8110 – Record of Interments
- Section 8115 – City or County Ordinance May Prescribe Standards
- Sections ~~8125-8127-8128~~ – Dedication of Public Cemeteries
- Sections ~~8132-8130-8133~~ – Management of Public Cemeteries
- Section 8250 – Exemptions
- Section 8252 – Cemetery Incorporation
- Sections ~~8302-8308~~8300 – Cemetery Authority Powers

- 1 • Sections 8330-8331 – Record of Ownership of Plots
- 2 • Sections 8550-8551 – Dedication (Private Cemetery)
- 3 • Section 8573 – Selling of Pre-Need Crypts
- 4 • Sections 8580-8581 – Removal of Dedication (Private Cemetery)
- 5 • Sections 8701-~~8711~~-8715 – Endowment Care
- 6 • Section 8726 – Endowment Care Funds

## 7 COURT DECISIONS

- 8 1. *Cypress Lawn Cemetery Assn. v. San Francisco* (1931) 211 Cal. 387. (To be exempt,  
9 property must itself be used or held for cemetery purposes.)
- 10 2. *San Gabriel Cemetery Assn. v. Los Angeles County* (1942) 49 Cal.App.2d 624. (Defines  
11 "profit.")
- 12 3. *Pomona Cemetery Assn. v. Los Angeles County* (1942) 49 Cal.App.2d 626. (Cemetery  
13 property declared to be exempt when developed and offered for sale for burial purposes.)
- 14 4. *Laurel Hill Cemetery Assn. v. San Francisco* (1947) 81 Cal.App.2d 371. (Land is taxable  
15 when bodies have been removed and cemetery dedication is extinguished.)
- 16 5. *Memorial Hills Assn. v. Sequoia Investment Corp.* (1958) 157 Cal.App.2d 119. (Passive  
17 holding of land without improvements and lot sales activity does not support tax  
18 exemption.)
- 19 6. *Westminster Memorial Park v. Orange County* (1960) 54 Cal.2d 488. (Cemetery property  
20 purchased under a percentage sales contract may be tax exempt.)
- 21 7. *Sutter Realty Co. v. City of Sacramento* (1944) 64 Cal.App.2d 1. (Failure to protest  
22 assessment does not waive cemetery exemption.)
- 23 8. *Sunset View Cemetery Assn. v. Hitchcock* (1968) (Contra Costa Sup. Ct. No. 108616.)  
24 (Mortuary and crematory are not tax exempt.)
- 25 9. *Hollywood Cemetery Assn. v. Powell* (1930) 210 Cal. 121. (Holders of cemetery lots are  
26 not owners in fee.)
- 27 10. *Chesney v. Byram* (1940) 15 Cal.2d 460. (The filing of the proper affidavit within the  
28 prescribed time was a prerequisite to obtaining the exemption.)

## EXEMPTION LIMITATIONS

Article XIII, section 3(g) of the Constitution provides for property tax exemption of:

Property used or held exclusively for the permanent deposit of human dead or for the care and maintenance of the property or the dead, except when used or held for profit. This property is also exempt from special assessments.

Section 8250 of the ~~California~~ Health and Safety Code provides:

Except as provided in subdivision (c) of this section, the provisions of this part do not apply to any of the following:

(a) Any religious corporation, church, religious society or denomination, a corporation sole administering temporalities of any church or religious society or denomination, or any cemetery organized, controlled, and operated by any of them.

(b) Any public cemetery.

(c) Any private or fraternal burial park not exceeding 10 acres in area, heretofore established; ~~— provided, however, (1) that the provisions of Chapter 6 (commencing at Section 8800) and Chapter 7 (commencing at Section 8825) of this part are applicable thereto,~~ and (2) all of the provisions of this part shall apply to any such cemetery that collects a care, maintenance or embellishment deposit or funds for commodities or services.

Section 8250.5 of the Health and Safety Code provides:

As used in Section 8250 of this code, a public cemetery is a cemetery owned and operated by a city, county, city and county, or public cemetery district.

Section 8252 of the ~~California~~ Health and Safety Code provides:

It is unlawful for any corporation, co-partnership, firm, trust, association, or individual to engage in or transact any of the businesses of a cemetery within this state except by means of a corporation or limited liability company duly organized for these purposes.

Organizations referred to in section 8250 may establish, maintain, manage, or operate a cemetery and conduct any or all of the business of a cemetery, either for or without profit to its membership or stockholders.

For purposes of this manual, we will limit our discussion to privately owned cemeteries. Generally speaking, there are two kinds of privately owned cemeteries – those that are profit seeking and those that are not. Let us look first at the nonprofit cemeteries.

## 1 **NONPROFIT CEMETERIES**

2 In order for a cemetery to be classified as nonprofit, the cemetery property must be owned by a  
3 nonprofit corporation or an organization referred to in section 8250 of the Health and Safety Code.  
4 In the case of a corporation, its nonprofit status must be recited in its articles of incorporation. It  
5 should be noted, however, that profit does not refer to the financial benefit that accrues to a  
6 cemetery organization through the sale of burial space at a price in excess of its cost, but means  
7 net earnings whose benefits accrue directly or indirectly to the stockholders or members of the  
8 association. Court cases have set up the criteria as to what constitutes a nonprofit owner for  
9 purposes of this exemption. For example, it was held in the case of *San Gabriel Cemetery*  
10 *Association v. Los Angeles County* (1942) 49 Cal.App.2d 624 that a cemetery company or  
11 association may derive income in excess of expense without affecting the exempt status of its  
12 property if the excess is devoted to the upkeep ~~or expansion~~ of the cemetery property.

13 Profit means income or gain flowing directly or indirectly to an individual other than to creditors  
14 who have rendered services or provided property the same as any general creditor would for a  
15 noncemetery debtor. This point was made in the case of *Westminster Memorial Park v. Orange*  
16 *County* (1960) 54 Cal.2d 488, in which the court found a debtor-creditor relation was formed by a  
17 contract between the sellers of a cemetery site and the purchasing cemetery corporation. Title to  
18 the property was transferred to the corporation, which qualified for the exemption. The fact that  
19 the corporation had to pay, pursuant to the land sales contract, a percentage of all plot sales to the  
20 seller did not mean the corporation was being operated for a profit. The contract arrangement did  
21 not destroy the nonprofit character of the corporation, since there was no evidence that the  
22 relationship was a sham, or that the cemetery corporation was the alter ego of the sellers.

## 23 **DEVELOPED LAND**

24 All developed land within a nonprofit cemetery is eligible for exemption. The exemption is  
25 applicable only when the land is actively used or held for exempt purposes. This means the land  
26 must be prepared, made available, maintained, and offered for sale as burial sites. It is our opinion  
27 that such active holding requires (a) the filing of a map or plat and a written declaration of  
28 dedication pursuant to Health and Safety Code section 8551 by any organization not exempted by  
29 section 8250 of said code, (b) the obtaining of a cemetery use permit from the appropriate local  
30 authority, and (c) positive evidence of sales and interment activities.

31 It should be noted that cemeteries that are exempt from the requirements of section 8551 will not  
32 in most instances have complied with the statutory procedures for dedicating property to cemetery  
33 uses. They should, however, be requested to designate in writing the precise amount of property  
34 they have informally dedicated to such use.

35 Unsold plots, whether intermixed with sold plots or separate from them, should be exempt if they  
36 are available for purchase and use. Lots held by individual owners for future use by themselves or  
37 their families are exempt. However, plots sold to brokers for purposes of resale should be taxed  
38 until resold, since presumably these brokers are holding them for sale at a profit and will not, after  
39 the sale, devote any part of the profit to the maintenance of the cemetery property.

## 1 DETERMINING THE TAXABILITY OF PASSIVELY HELD LAND

2 The purpose of the cemetery exemption is to protect the final resting place of the human dead,  
3 either because of the sentiments attaching to cemeteries or in recognition that a tax lien on a used  
4 burial site could hardly be foreclosed. Excess land holdings, however, should not go untaxed.

5 One of the most difficult aspects of the cemetery exemption is its proper application to so-called  
6 passively held land. Passively held land may be defined as land that is held but not presently  
7 developed for burial purposes. If excess land is **used** for a nonburial purpose, it is clearly taxable.  
8 However, if a nonprofit cemetery corporation holds land for future use, the question arises: what  
9 amount of land, if any, should be taxable? Property Tax Rule 132 says that such land is exempt if  
10 it satisfies certain other requirements and:

11       The size of the tract [land holding] being held is reasonable upon the basis of  
12       population and mortality trends and tables for the area, [and] the volume of burial  
13       conducted and anticipated by the cemetery or organization holding the property ...

14 The word "reasonable" is imprecise by design and requires responsible interpretation. The holding  
15 of 200 acres of undeveloped excess land may be appropriate in some instances, while 20 acres may  
16 be excessive in others.

17 The basis for this determination lies with the anticipated period required for putting the property  
18 into actual cemetery use. Since neither the State Constitution, the Revenue and Taxation Code, the  
19 California ~~Administrative Code~~ of Regulations, nor court decisions have defined a specific time  
20 period necessary for this action, we feel that the time element may be best shown by illustration.

21 Let us assume a nonprofit cemetery corporation has 1,000 acres of undeveloped, dedicated,  
22 passively held land adjacent to a 300-acre developed cemetery. The developed portion of the  
23 cemetery is 90 percent sold at the present time. Let us further assume that the anticipated rate of  
24 absorption (sales) is 10 acres<sup>42</sup> per year over the remaining economic life of the cemetery. The  
25 sold portions consist of both "at-need" and "pre-need" sales.<sup>43</sup> The anticipated life of the 1,000  
26 undeveloped acres plus the 30 unsold acres in the existing cemetery is 103 years. It is unreasonable  
27 to exempt from taxation property that will not be used for 103 years.

28 Experience with a number of cemetery corporations has shown that companies can initiate, and in  
29 fact have initiated, court proceedings resulting in the removal of the cemetery dedication.<sup>44</sup> These  
30 lands are then free to be put to their highest and best immediate use.

31 Although Property Tax Rule 132 provides the basic test for determining the amount of passively  
32 held land necessary to accommodate the anticipated cemetery usage of each individual cemetery,

---

<sup>42</sup> Eight net acres plus two more for incidental use equals ten gross burial acres.

<sup>43</sup> Cemeteries generally get most of their "at-need" business in a densely populated area from a ten-mile radius. "Pre-need" sales have a much greater drawing area.

<sup>44</sup> See Health and Safety Code section 8580 as to the authority of the Superior Court to remove the dedication.

1 we suggest the assessor give special attention to any claim for exemption when it involves  
2 passively held land that is in excess of the need projected for the next 50 years.

3 When there is estimated to be sufficient **developed** cemetery land to last the cemetery association  
4 50 years or more, it is difficult to justify the exemption of any passively held land. On the other  
5 hand, if there were only enough developed land to last five years, it would not seem unreasonable  
6 to exempt a 45-year supply of passively held land.

7 In summary, a nonprofit cemetery corporation is eligible for the exemption on its land as follows:

- 8 1. All developed burial areas, both sold and unsold, are eligible for exemption. These include  
9 any incidental cemetery usage areas (roads, paths, and embellishment areas).
- 10 2. Passively held land may be exempt if it is estimated that it will be put to use (sold) within  
11 a reasonable period of time. The total amount of exempt passively held land should be  
12 added to the developed but, as yet, unsold land in calculating the total amount of land  
13 available and for determining the amount of passively held land that should be exempted.

#### 14 **IMPROVEMENTS**

15 Certain cemetery improvements owned by nonprofit cemetery corporations may be eligible for  
16 exemption. All buildings and improvements used exclusively for interment purposes are exempt.  
17 Such buildings and improvements include columbariums, mausoleums, and outdoor crypts. A  
18 residence may be eligible for exemption if it is used solely as a residence for a person who is  
19 caretaker and/or night watchman, and the appraiser determines that this service is necessary for  
20 the care and upkeep of the cemetery.

21 Mortuary and crematory operations are not tax exempt because they are not used "for the burial or  
22 other permanent deposit of the human dead"<sup>45</sup> nor are such improvements as floral sales shops and  
23 casket-manufacturing plants eligible for exemption. Likewise, we do not envision chapels as  
24 within the cemetery exemption, although depending on the exact nature of the use to which they  
25 are put, it might be appropriate to apply the church or welfare exemption.

26 It is our opinion that an administrative office located **on** cemetery property can qualify for  
27 exemption if: (1) it is used exclusively for the purpose of organizing and directing the operational  
28 functions of the cemetery, (2) it serves as a facility for the storage of records and the completion  
29 of official reports required by law such as those relative to general and special endowment care  
30 funds, and (3) if it is used as a place where those interested may be informed of the services  
31 available or the ownership or location of a particular grave.

#### 32 **PERSONAL PROPERTY**

33 If personalty is used primarily for the upkeep of any facility which is incidental to and reasonably  
34 necessary for the accomplishment of cemetery purposes, it is totally exempt. This personalty might

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<sup>45</sup> California Constitution, article XIII, section 3(g) and subdivision (g) of California Code of Regulations, title 18, section 132 (Property Tax Rule 132)-Sunset View Cemetery Association v. Hitchcock (1968) Contra Costa Sup. Ct. No. 108616.

1 include unlicensed mobile equipment, tools, and machinery that are used primarily for cemetery  
2 purposes. Equipment, furnishings, art and statuary work in exempt buildings may also be exempt.

### 3 **PROFIT-SEEKING CEMETERIES**

4 Cemeteries organized for profit are not eligible for the same exemptions afforded to nonprofit  
5 cemeteries.

### 6 **LAND**

7 Burial plots within a profit-seeking cemetery are exempt from taxation once they are sold, provided  
8 the buyers do not hold them for profit.<sup>46</sup> No unsold plots in a profit-seeking cemetery are eligible  
9 for exemption, nor is any passively held land. For appraisal and exemption purposes, it is  
10 recommended that the different units or parts of a cemetery be considered separately. On page 44  
11 40 is an example of the different parts or components that may be found in a cemetery.

12 Incidental cemetery usage areas (roads, paths, and embellishment areas) in a portion of a cemetery  
13 that is profit organized are exempt in the proportion that the exempt acreage in that portion bears  
14 to the total acreage in that portion.<sup>47</sup> It is necessary to calculate the total area within the developed  
15 burial area (including roadways, paths, and embellishment areas), and to know the total number of  
16 plots as well as the total number of sold plots. When these are known, it becomes a simple  
17 mathematical computation to arrive at the amount of land eligible for exemption. For example,  
18 suppose there are 60 acres in the developed portion of a hypothetical cemetery. Five acres are  
19 devoted to building sites, leaving 55 acres in plots and incidental areas. The plat map shows a total  
20 of 60,500 plots. Sixty thousand five hundred plots divided by 55 acres indicates an average of  
21 1,100 plots per acre. For every 1,100 plots that are sold, one acre of burial and incidental land is  
22 exempt.

23 The cemetery must keep records showing the ownership of all plots in the cemetery which have  
24 been conveyed, as well as records of all transfers of plots from one purchaser to another. The  
25 transfer of any plot is not complete or effective until recorded on the books of the cemetery  
26 authority.<sup>48</sup> The cemetery, therefore, is the logical place to obtain the total number of plots in the  
27 development, as well as the number that have been sold.

28 Land which is the site of a mausoleum and columbarium may be exempt or partially exempt. If all  
29 the interment space located within the improvement is sold, the entire site is exempt (provided the  
30 improvement is used solely for interment purposes). If the spaces are only partially sold, the site  
31 is exempt in the same proportion as the improvement.<sup>49</sup> In other words, if the improvement is  
32 one-third exempt, one-third of the land would also be exempt.

33

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<sup>46</sup> California Constitution, Article XIII, section 3(g).

<sup>47</sup> ~~California Administrative Code, Title 18, Section Property Tax Rule 132.~~

<sup>48</sup> Health and Safety Code section 8331.

<sup>49</sup> See following paragraph for methods of determining exempt portion of improvements.

1 **IMPROVEMENTS**

2 In a profit-seeking cemetery, only those improvements containing interment space may be eligible  
 3 for exemption or partial exemption. These improvements will include mausoleums, columbariums,  
 4 and outdoor crypts. Only the sold portions of these improvements are eligible for the exemption.  
 5 The proportion that the exempt burial property bears to the total capacity of the burial property in  
 6 a mausoleum or columbarium can be determined, at the assessor's option, by reference to either  
 7 the number or the volume of crypts or niches.<sup>50</sup>

8 **PERSONAL PROPERTY**

9 Personal property owned by a profit-seeking cemetery association that is used exclusively for the  
 10 upkeep of the interment spaces is eligible for exemption. Personal property expensed against the  
 11 endowment care fund will normally be eligible for exemption. This property may consist of  
 12 tractors, lawn mowers, ~~etc.~~ among others, and must be used only for the upkeep and maintenance  
 13 of the sold cemetery property. Personal property or equipment used for cemetery development or  
 14 expansion will not qualify for exemption. Art and statuary work may be exempted in the same  
 15 proportion that the improvement in which it is located is exempt. Any statuary work offered for  
 16 sale is not eligible for exemption. Statuary work intended for use as an embellishment may be  
 17 exempted in the same proportion that sold burial area bears to total burial area.

18 **DETERMINATION OF TAXABILITY**

19 The following examples illustrate the determination of the taxability of a cemetery property. The  
 20 first example is a profit-seeking cemetery; the second is a nonprofit cemetery.

21

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<sup>50</sup> ~~California Administrative Code, Title 18, Section~~ Property Tax Rule 132.

1 **Profit-Seeking Cemetery**

- 2 Let us assume a hypothetical profit-seeking cemetery of 50 acres established in 1948 with this  
3 distribution of acreage:

<b>Building Sites</b>	<b>Acreage</b>	
Office building	0.70	
Mausoleum	1.00	
Columbarium	0.30	
Mortuary	0.70	
Crematory	0.40	
Outside crypts	2.50	
Floral sales shop	0.50	
Two chapels	0.70	
Shop for casket building	1.00	
Caretaker's residence	0.20	
<b>Total building site acreage</b>		<b>8.00</b>

4

<b>Gravesites</b>	<b>Acreage</b>	
Sold acreage	20.00	
Unsold acreage	10.00	
<b>Total</b>		<b>30.00</b>
Incidental lands	<del>20.00</del>	<u>12.00</u>
<b>Total cemetery area</b>		<b>50.00</b>

5

1 The breakdown of taxable and tax-exempt property is shown below.

Item	Acreage		Improvements	
	Taxable	Tax Exempt	Percent Taxable	Percent Exempt
Office building	0.70	0.00	100	0
Mausoleum <sup>51</sup>	0.50	0.50	50	50
Columbarium <sup>51</sup>	0.15	0.15	50	50
Mortuary	0.70	0.00	100	0
Crematory	0.40	0.00	100	0
Outside crypts <sup>52</sup>	1.50	1.00	60	40
Floral sales	0.50	0.00	100	0
Two chapels	0.70	0.00	100	0
Casket shop	1.00	0.00	100	0
Caretaker's residence	0.20	0.00	100	0
Burial sites <sup>53</sup>	10.00	20.00	—	—
Incidental land <sup>54</sup>	4.00	8.00	—	—
<b>Totals</b>	<b>20.35</b>	<b>29.65</b>		

2

<sup>51</sup> The percentage or proportion that the exempt burial property bears to the total burial property in a mausoleum or columbarium is determined, at the assessor's option, by reference to either the number or the volume of crypts or niches. In this example, it is indicated that 50 percent have been sold.

<sup>52</sup> In this case the outside crypts are about 40 percent occupied. The same percentage is applied to the embellished area pertaining to these crypts.

<sup>53</sup> Once burial sites are sold and no longer held for profit, they are tax exempt.

<sup>54</sup> Roads, paths, and embellishment areas are exempt in the same proportion that sold burial area bears to total burial area. If there is more than one subdivision in the cemetery, each should be handled independently. These figures do not include incidental land in conjunction with the mausoleum, columbarium, and crypts; the incidental land for these portions of the cemetery is included in the acreage figures shown for these types of burial sites.

1 **NONPROFIT CEMETERY**

2 If the preceding example was a nonprofit cemetery, the breakdown would be as follows:

3

Item	Acreage		Improvements	
	Taxable	Tax Exempt	Percent Taxable	Percent Exempt
Office building	0.00	0.70	100	0
Mausoleum	0.00	1.00	0	100
Columbarium	0.00	0.30	0	100
Mortuary	0.70	0.00	100	0
Crematory	0.40	0.00	100	0
Outside crypts	0.00	2.50	0	100
Floral shop	0.50	0.00	100	0
Two chapels	0.70	0.00	100	0
Casket shop	1.00	0.00	100	0
Caretaker's residence	0.00	0.20	0	100
Burial sites	0.00	30.00	—	—
Incidental land	0.00	12.00	—	—
<b>Totals</b>	<b>3.30</b>	<b>46.70</b>		

4

1 Mortuary and crematory operations are not tax exempt because they are not used "for the burial or  
 2 other permanent deposit of the human dead"<sup>55</sup>; neither are florist shops, chapels, and casket  
 3 building shops. The caretaker's house, if considered to be held exclusively for the care,  
 4 maintenance, or upkeep of the property, is eligible for the cemetery exemption.

### 5 SUMMARY

6 Taxable components of a **profit-seeking** cemetery are:

- 7 1. All unsold plots, crypts, and niches.
- 8 2. Incidental land – in the same proportion as the unsold net acreage bears to the total net  
 9 acreage.
- 10 3. All passively held land.
- 11 4. Miscellaneous buildings such as offices, crematory, mortuary, floral shops, chapels,  
 12 caretaker's residence, etc.
- 13 5. Property used for activities not incidental to a cemetery operation.
- 14 6. Land under improvements not totally exempt – in the same proportion as the exempt burial  
 15 property (improvements) bears to the total burial property (improvements located on the  
 16 land in question).

17 In a **nonprofit** cemetery the taxable items include:

- 18 1. Property not used for burial or incidental purposes (i.e., mortuaries, crematories, floral  
 19 shops, and chapels).
- 20 2. Passively held land that does not meet the requirements set forth in Property Tax Rule 132.

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<sup>55</sup> California Constitution, article XIII, section 3(g) and Property Tax Rule 132(g); *Sunset View Cemetery Association v. Hitchcock* (1968) Contra Costa Sup. Ct. No. 108616.

## CHAPTER 8: CLAIM FOR CEMETERY EXEMPTION

### FORM

The State Board of Equalization prescribes exemption claim forms for use by assessors in accordance with Revenue and Taxation Code section 251. The ~~claim form BOE-265, Cemetery Exemption Claim,~~ must conform with to the sample on page 46 46 of this handbook, as required by section 251 of the Revenue and Taxation Code. The preferred size for the affidavit form is 8½ inches by 11 inches. Assessors may only make non-substantial alterations to Board-prescribed forms.<sup>56</sup>

### RECEIPT

It is recommended that the person filing the claim form be given a ~~carbon~~ copy of the acknowledged claim as a receipt. Experience has shown that this practice avoids ~~embarrassment in the case of errors or a lost claim.~~

### TIME FOR FILING

Section 255 of the Revenue and Taxation Code specifies that the affidavit for exemption shall be filed with the assessor between the lien date and 5 p.m. on February 15. Section 260 of the Revenue and Taxation Code provides that if a person fails to follow the required procedure, the exemption is waived by such person. The California Supreme Court, in the case of *Chesney v. Byram* (1940) 15 Cal.2d 460, upheld this requirement and stated that the filing of the proper affidavit within the prescribed time was a prerequisite to obtaining the exemption.

### LATE FILING

Section 270(a) of the Revenue and Taxation Code contains remedial provisions of late exemption claims, where a timely claim is not filed between the lien date and 5 p.m. on February 15.

1. Ninety percent of any tax, penalty, or interest shall be canceled or refunded if the claim is filed on or before the lien date (January 1) of the next calendar year.
2. Eighty-five percent of any tax, penalty, or interest shall be canceled or refunded if the claim is filed after the lien date (January 1) of the next calendar year.

Section 270(b) provides that notwithstanding (1) and (2) above, the maximum total amount of tax, penalty, or interest on property entitled to relief shall be \$250. The \$250 should not be based on each parcel in a claim, or on each claim if there is more than one claim, but on the claimant's total property that is exempt in the county. Any excess shall be canceled under the provisions of section 4985 of the Revenue and Taxation Code or refunded under the provisions of section 5097 of the Revenue and Taxation Code.

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<sup>56</sup> Property Tax Rule 101.

- 1 There is no statute of limitations for filing a claim late where it involves a cancellation of taxes.
- 2 As a claim for refund must be filed within four years after making the payment, the filing of the
- 3 late claim must be made in sufficient time for review and approval of the claim, and for the filing
- 4 for the refund.
- 5

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### CEMETERY EXEMPTION CLAIM

This claim is filed for fiscal year 20\_\_\_\_ - 20\_\_\_\_

NAME AND MAILING ADDRESS  
*(Make necessary corrections to the printed name and mailing address)*

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To receive the full exemption, this claim must be filed by 5:00 p.m., February 15.

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┘

If you no longer seek an exemption at this location, check here  Sign and return this form to the Assessor.

NAME AND ADDRESS OF OWNER OF LAND AND BUILDINGS (if different from person making claim)

NAME OF ORGANIZATION/CORPORATE NAME FROM ARTICLES (IF INCORPORATED)

ADDRESS OF PROPERTY (CITY, COUNTY, ZIP CODE)

ASSESSOR'S PARCEL NUMBER

#### OWNER - PROFIT OR NON-PROFIT

Yes  No Is the owner organized (or operating) for profit?

Yes  No Is the owner incorporated as a non-profit corporation?

If yes, enter the dates of incorporation and amendments: \_\_\_\_\_

#### USE OF PROPERTY

*Check all that apply.*

The property is used or held exclusively for the burial or other permanent deposit of the human dead or for the care, maintenance, or upkeep of such property or such dead.

The property is not used or held for profit.

#### EXEMPTION

*Check only one box unless claim covers both inactive and active cemeteries.*

The exemption is claimed for the following described inactive property which constitutes and is used exclusively as a cemetery, no portion of which is being leased, rented, or held for sale by the claimant. Enter the Assessor's parcel number or legal description:

**(If this box is checked and the exemption is not claimed for other properties, Sections A and B need not be completed)**

The exemption is claimed for the cemetery properties described on the attached property information section(s).

FOR ASSESSOR'S USE ONLY	
Received by _____ <i>(Assessor's designee)</i>	NAME _____
of _____ <i>(county or city)</i>	ADDRESS <i>(street, city, state, zip code)</i> _____
on _____ <i>(date)</i>	DAYTIME PHONE NUMBER ( ) _____
Number of Section A in claim _____	EMAIL ADDRESS _____

**Whom should we contact during normal business hours for additional information?**

#### CERTIFICATION

*I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing, and all information herein, including any accompanying statements or materials, is true, correct, and complete to the best of my knowledge and belief.*

NAME OF PERSON MAKING CLAIM

SIGNATURE OF PERSON MAKING CLAIM

TITLE

DATE



**SECTION A: INFORMATION CONCERNING THE PROPERTY**

*Claimants must complete separate copies of this section for each property for which exemption is sought. Please read instructions before completing.*

**1: PROPERTY DESCRIPTION**

NAME OF ORGANIZATION \_\_\_\_\_

ADDRESS OF THIS PROPERTY (street, city, state, zip code) \_\_\_\_\_ COUNTY \_\_\_\_\_

ASSESSOR'S PARCEL NUMBER OR LEGAL DESCRIPTION \_\_\_\_\_

- Declaration of Dedication. Date recorded \_\_\_\_\_  Dedication or zoning not required.  
 Declaration of Intention. Date recorded \_\_\_\_\_ Reason: \_\_\_\_\_  
 Zoning or Cemetery Use Permit. Date granted \_\_\_\_\_  Total acres of parcel: \_\_\_\_\_

**2: OWNER AND OPERATOR**

- Claimant is:**
- Owner and Operator  
 Owner only  
 Operator only of the cemetery and claims exemption on the:  
 Land  
 Buildings and other improvements  
 Personal property listed herein
- List the name of any organization which owns or operates the property other than claimant: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**3: LEASED OR RENTED TO OTHERS**

- Yes  No Is any portion of the property described above rented, leased, or being used or operated by some other person or organization? If yes, describe that portion and its use, and attach a copy of the lease (rental) agreement: \_\_\_\_\_  
 Yes  No Is any equipment or other property at this location being leased, rented, or consigned from someone else? If yes, attach a list that includes the name and address of the owner and the quantity and description of the property. Property so listed is not subject to the exemption and will be assessed by the Assessor if owned by a taxable entity.

**4: LAND USE**

**Cemetery and related uses:**

Number of acres of burial sites in use or offered for sale: \_\_\_\_\_ Number of acres of land used for mausolea: \_\_\_\_\_  
 Number of acres of land used for other building sites, excluding mausolea and columbaria: \_\_\_\_\_ Total number of mausolea: \_\_\_\_\_  
 Number of acres of developed roads and parking areas: \_\_\_\_\_ Number of acres of land used for columbaria: \_\_\_\_\_  
 Number of acres for walkways and gardens: \_\_\_\_\_ Total number of columbaria: \_\_\_\_\_  
 Number of acres of land used for all other cemetery uses: \_\_\_\_\_

**Noncemetery uses:**

Number of acres not developed (unused): \_\_\_\_\_ Total acres of parcel: \_\_\_\_\_  
 Number of acres of land used for other purposes, including buildings: \_\_\_\_\_ *Note: Total must equal the total reported in the property acreage description.*

**5: BUILDINGS AND IMPROVEMENTS EXCLUDING MAUSOLEA AND COLUMBARIA SITES**

Building Number or Name	Principal Use	Other Use or Uses

**6: PERSONAL PROPERTY**

Description	Principal Use	Other Use or Uses

**SECTION B: INVENTORY OF UNSOLD BURIAL SITES AND CRYPTS**

*This section must be completed by profit making organizations. Nonprofit claimants need not answer the following questions. For purposes of this section, Developed Cemetery Plots, Crypts, and Niches that are broker-held plots are to be included as Unsold Inventory. Please read instructions before completing.*

**7: DEVELOPED CEMETERY PLOTS, LAWN CRYPTS, AND LAWN NICHES**

	Total Number	Number Sold	Unsold Inventory
Cemetery Plots			
Lawn Crypts			
Lawn Niches			

**8: CRYPTS AND NICHES**

*Do not include preconstruction sales of crypts or niches if construction had not commenced prior to January 1.*

1. MAUSOLEA	Total Number	Number Sold	Unsold Inventory
Indoor Crypts (spaces)			
Outdoor Crypts (spaces)			
Niches			

2. MAUSOLEA	Total Number	Number Sold	Unsold Inventory
Indoor Crypts (spaces)			
Outdoor Crypts (spaces)			
Niches			

3. MAUSOLEA	Total Number	Number Sold	Unsold Inventory
Indoor Crypts (spaces)			
Outdoor Crypts (spaces)			
Niches			

1. COLUMBARIA	Total Number	Number Sold	Unsold Inventory
Niches			

2. COLUMBARIA	Total Number	Number Sold	Unsold Inventory
Niches			

3. COLUMBARIA	Total Number	Number Sold	Unsold Inventory
Niches			

Attach additional sheets if needed.

## INSTRUCTIONS FOR FILING CLAIM FOR PROPERTY TAX EXEMPTION UNDER THE CEMETERY EXEMPTION PROVISIONS

### FILING OF CLAIM

Claims for the cemetery exemption must be signed and filed **with the county Assessor**.

An officer or duly authorized representative of the organization owning the property must sign the claim.

The Assessor will supply claim forms.

### TIME FOR FILING

To receive the full exemption the claim must be filed each year on or before February 15. Only 90 percent of any tax or penalty or interest thereon may be canceled or refunded when a claim is filed between February 16 of the current year and January 1 of the following calendar year; if the application is filed thereafter, only 85 percent of any tax or penalty or interest thereon may be canceled or refunded. In no case, however, is the tax, penalty, and interest for a given year to exceed \$250.

### PREPARATION OF CLAIM

All claimants must execute the claim and, except where an exemption is being claimed for inactive cemetery property, provide the property information requested in Section A. Only claimants organized for profit need complete Section B. **All questions must be answered.** If you do not answer all the questions, your claim may be denied. Leave no blanks; use "no," "none," or "not applicable" where needed.

If the entire property is not qualified, a partial exemption will be granted for any portion which satisfies the requirements.

### FISCAL YEAR

The fiscal year for which an exemption is sought must be entered correctly. The proper fiscal year follows the lien date (12:01 a.m., January 1) as of which the taxable or exempt status of the property is determined. For example, a person filing a timely claim in February 2011 would enter "2011-2012" on line four of the claim; a "2010-2011" entry on a claim filed in February 2011 would signify that a late claim was being filed for the preceding fiscal year.

### USE OF PROPERTY

Check the appropriate box to indicate whether or not the owner is organized or operates for profit. If organized as a nonprofit corporation, enter the date(s) of incorporation and any amendments to the articles of incorporation on line 6.

A nonprofit organization filing for the first time **must** attach a certified copy of the Articles of Incorporation or comparable instrument for unincorporated organizations, together with all amendments and revisions thereto. After the first filing, only subsequent amendments or revisions to the articles or comparable instrument need be submitted with each claim. Approval of your claim for cemetery exemption cannot be given if proper documentation is not on file in the Assessor's Office.

### EXEMPTION

Check the appropriate box and enter the Assessor's parcel number or legal description when required. If necessary, use the back of the claim for lengthy legal descriptions or attach an additional sheet. **This completes the claim only for organizations claiming a total exemption of an inactive cemetery property**, in which no portion is being leased, rented, or held for sale by the claimant. Claims for all other properties must include Section A.

## SECTION A: INFORMATION CONCERNING THE PROPERTY

Except as indicated in the preceding paragraph, Section A is to be completed by both profit-making and nonprofit cemetery organizations. A separate Section A must be completed and filed for each property for which total or partial exemption is sought. The information furnished must be restricted to the particular property. Give the exact name of the organization, address of the property, and the county of location.

The term *property* as used here means any operating unit of property consisting of one parcel or several contiguous parcels for which an exemption is sought even though there may be several improvements and separate buildings thereon. All personal property for which an exemption is sought should be listed. If more than one Section A is filed, each Section A should be numbered for convenient reference.

### PROPERTY DESCRIPTION

List each parcel on which a portion of the operating cemetery is located. Enter the Assessor's parcel number(s) or legal description(s). Indicate the total area (in acres) of all parcels. Use additional sheets if necessary. If the owner has recorded a "Declaration of Intention" or "Declaration of Dedication" of the property for which the exemption is claimed, or if cemetery zoning or a special use permit was granted for the property, check the appropriate box(es) and enter the corresponding date(s) or recorder's reference(s). If dedication and zoning are not required, check the corresponding box and explain.

### OWNER AND OPERATOR

Check the appropriate boxes to identify the owner and operator of the property and the classifications of property for which total or partial exemption is sought. If an organization or individual other than the claimant owns or operates the property, identify the organization or individual in the space provided.

### LEASED OR RENTED TO OTHERS

If any portion of the property is rented, leased, or being used or operated by some other person or organization, copies of their leases or agreements must be submitted. If the leases or other agreements have been filed in prior years, it is only necessary to attach copies of subsequent extensions, modifications, and changes.

### LAND USE

Designate the exact acreage for each use. Report one combined figure for all building sites other than mausolea and columbaria, which must be shown separately. Report appurtenant walkways, gardens, and parking lots separately. The total acreage includes both cemetery and noncemetery uses.

**BUILDING AND IMPROVEMENTS**

List all buildings and other improvements on the land, such as mausolea, columbaria, chapels, corporation yard improvements, irrigation systems, mortuaries, and crematoria (do not include landscaping). List separately any improvements used partially for exempt purposes and partially for taxable purposes. Use additional sheets if necessary. Principal use column: List the principal use of each. Other use or uses column: List all other uses of specific buildings and improvements. Enter "none" if there is no other use.

**PERSONAL PROPERTY**

List all personal property for which an exemption is sought. Group items into broad categories such as cemetery maintenance tools and equipment, grave digging equipment, and office furniture. List separately any personal property used partially for exempt purposes and partially for taxable purposes. Principal use column: Indicate the principal use of the property (e.g., maintaining cemetery grounds). Other use or uses column: List any other uses (e.g., farming). Enter "none" if there is no other use. Leased personal property should be listed in the LEASED OR RENTED TO OTHERS section.

**SECTION B: INVENTORY OF UNSOLD BURIAL SITES, CRYPTS, AND NICHES**

Section B must be completed by all profit-making organizations (any claimant answering "yes" to question 5) seeking the cemetery exemption. List the owner's inventory of unsold burial sites, crypts, and niches as of 12:01 a.m., January 1. Include those acquired by the owner through trades or defaulted contracts as unsold.

**DEVELOPED CEMETERY PLOTS, LAWN CRYPTS, AND LAWN NICHES**

Report cemetery plots in terms of number of burial sites and crypts. Land developed as burial sites, which are either in use or being offered for both at-need and pre-need sales, is to be reported separately from land designated and offered only for pre-need sales. Show (1) the total number, (2) the number sold, and (3) the unsold inventory. Developed burial sites row: report "developed" plots located in operating units of the cemetery in which burial activity takes place. Offered for pre-need sales only row: Limit number to plots in operating units of the cemetery which remain undeveloped or in a semi-developed state and in which no burial activity takes place.

**CRYPTS AND NICHES**

Show (1) the total number of crypts or niches, (2) the number sold, and (3) the inventory on hand. Do not report preconstruction sales if construction had not commenced prior to the lien date.

**ADDITIONAL INFORMATION**

Upon request, the owner and the operator must furnish additional information to the Assessor. The Assessor may institute an audit or verification of the operations of the claimant.

1                                   **CHAPTER 9: MISCELLANEOUS**

2                                                           **LISTING ON THE ROLL**

3   Exempt cemetery property may be listed on the assessment roll in accordance with subdivision (b)  
4   of Property Tax Rule 252. If the properties are not enrolled or are shown without values, the  
5   assessor should have these values readily available. The value of all cemetery property should be  
6   estimated even though portions or all of it may be eligible for exemption.

7                                                           **SPECIAL ASSESSMENT**

8   Section 3(g) of Article XIII of the California Constitution provides that cemetery property exempt  
9   from property taxation is also exempt from special assessment.

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# PROPERTY TAX RULES

State of California

BOARD OF EQUALIZATION

## PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax  
Chapter 2. Assessment  
Article 3. Exemptions and Immunities

### Rule 132. Cemetery Exemption.

*Authority:* Section 15606, Government Code.

*Reference:* Sections 204, 251, 254, 255, 256.5, 260, 270 and 271, Revenue and Taxation Code.

**(a) SCOPE OF EXEMPTION.** Upon timely application on the prescribed form, the cemetery exemption is available on property used or held exclusively for the burial or other permanent deposit of the human dead and property used or held exclusively for the care, maintenance or upkeep of such property or such dead, except any such property that is used or held for profit.

**(b) MEANING OF "PROPERTY USED OR HELD EXCLUSIVELY FOR BURIAL."** In this regulation "property used or held exclusively for burial" means (1) property in actual use or prepared, made available, sold or offered for sale or use for burial or other permanent deposit of the human dead; (2) property whose use is incidental to such burial purposes, as described in paragraph (c); and (3) passively held property that qualifies for exemption under paragraph (d).

**(c) INCIDENTAL USE OF PROPERTY.** Property of an established cemetery which is held exclusively for burial purposes may be planted, landscaped, arborized or maintained if such planting, landscaping, arborizing or maintenance is incidental to the burial purpose, does not produce gross receipts for the claimant, and is for the purpose of embellishing adjacent cemetery property, preserving the appearance of the property and the surrounding area, preventing soil erosion or similar purposes.

**(d) PASSIVE HOLDING OF PROPERTY.** Passive holding of large sections of land for future cemetery use by an established cemetery is a basis for exemption only if:

- (1) The property is held in good faith and exclusively for burial purposes;
- (2) The property is dedicated for cemetery use pursuant to statute or otherwise;
- (3) The property is qualified for use as a cemetery under zoning laws if applicable; and
- (4) The size of the tract being held is reasonable upon the basis of population and mortality trends and tables for the area, the volume of burial conducted and anticipated by the cemetery organization holding the property, the likelihood of the cemetery organization continuing burial activities in the area during the period of anticipated use for burial purposes, and similar factors.

**(e) NONEXEMPT PROPERTY OF PROFIT-MAKING CEMETERY ORGANIZATIONS.** In addition to property described in paragraphs (f) and (g), burial plots, niches or crypts held for sale by profit-making cemetery organizations are taxable. Burial plots, niches or crypts within a cemetery which is operated for profit are exempt from taxation once they are disposed of, provided the owners do not hold them for profit.

**(f) ROADS, PATHS AND EMBELLISHMENT AREAS.** Roads, paths and embellishment areas in a cemetery, and lobbies, hallways and other common areas in a mausoleum or columbarium, the burial property of which is entirely exempt are also entirely exempt. Roads, paths and embellishment areas in a

portion of a cemetery that is held by a profit-making organization and is not entirely exempt are exempt in the proportion that the exempt acreage in that portion bears to the total acreage in that portion. Lobbies, hallways and other common areas in a mausoleum or columbarium held by a profit-making organization, together with the mausoleum or columbarium site, are exempt in the proportion that the exempt burial property in the mausoleum or columbarium bears to the total burial property in the mausoleum or columbarium. The proportion that the exempt burial property bears to total burial property in a mausoleum or columbarium may be determined, at the assessor's option, by reference to either the number or the volume of crypts or niches.

**(g) NONEXEMPT PROPERTY OF BOTH PROFIT-MAKING AND NONPROFIT CEMETERY ORGANIZATIONS.** Property not used or held exclusively for burial or other permanent deposit of the human dead, or for the care, maintenance or upkeep of such property or such dead, such as floral shops, mortuaries, crematoriums, and orchard or cropland which produces gross receipts for the claimant, is not exempt whether owned by a profit-making or a nonprofit cemetery organization.

*History:* Adopted February 9, 1967, effective February 14, 1967.

State of California  
BOARD OF EQUALIZATION  
PROPERTY TAX RULES

Division 1. State Board of Equalization-Property Tax  
Chapter 2. Assessment  
Article 6. Local Roll

**Rule 252. Content of Assessment Roll.**

*Authority:* Section 15606, Government Code.

*Reference:* Sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

**(a)** Minimum Contents of "Machine-Prepared" or "Electronic" Local Rolls. "Machine-prepared" roll within the meaning of Revenue and Taxation Code section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

- (1) The name of the county.
- (2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.
- (3) An explanation of abbreviations and legends appearing on the roll.
- (4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by section 218 of the Revenue and Taxation Code has been applied. The assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.
- (5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.
- (6) The name of the assessee, if known.
- (7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.
- (8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.
- (9) The tax rate area in which each piece of property assessed is situated.
- (10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261 (Rule 261).
- (11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date).

**Rule 252 (Contd.)**

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

(16) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(17) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

**(b) Assessed Values of Exempt Property Not Required to Be Enrolled.** Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the assessed values shall not be shown in land or improvement columns or fields.

**(c) Content of Extended Roll.** The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

(1) The mailing address, if known, of the assessee.

(2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.

(3) All tax rates and ad valorem special assessment extensions required by law.

(4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.

(6) An identification of each tax-defaulted property sold, with the date of sale.

**(d) Minimum Contents of Local Rolls Not "Machine-Prepared."**

(1) The local roll of each county utilizing a roll that is not "machine-prepared" within the meaning of Revenue and Taxation Code section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

**Rule 252 (Contd.)**

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official's residing spouse or child, shall not be posted without first obtaining the written permission of that official.

(f) Nothing in this regulation is meant to alter the intent of section 109.6 of the Revenue and Taxation Code.

*History:* Adopted September 1, 1967, effective October 7, 1967.  
Amended November 20, 1968, effective November 21, 1968.  
Amended July 8, 1971, effective August 19, 1971.  
Amended July 31, 1973, effective September 6, 1973.  
Amended February 5, 1975, effective March 20, 1975.  
Amended September 11, 1985, effective December 15, 1985.  
Amended March 27, 2002, effective July 11, 2002. Amended rule to update assessment roll procedures and to conform the contents to the items required by statute. Additionally, the amendments provide appropriate guidance consistent with current processing and record-keeping technology.  
Amended January 30, 2013, effective April 1, 2013.

**Rule 254. Use of Board-Prepared Roll As Unextended Roll.**

Authority: Section 15606, Government Code.  
Reference: Sections 109, 109.5, 618, 1612, 1614, 1646, 2152 and 2601, Revenue and Taxation Code.

Any county utilizing a machine-prepared roll whose county auditor prepares a new assessment roll on which to extend taxes may use the roll prepared by the state board for state-assessed properties as the unextended assessment roll. In such case, the assessments of state-assessed properties shall be kept in a separate section or sections of the extended roll, and the values shall be separately totaled. Prior to delivery of the extended roll to the tax collector the auditor shall affix to the section or sections of the extended roll containing state-assessed property an affidavit subscribed by him or her as follows:

"I, \_\_\_\_\_, Auditor of \_\_\_\_\_ County, swear that the attached roll is a reproduction of the assessments of state-assessed properties in this county as prepared and corrected by the State Board of Equalization, together with the extensions required by law."

Nothing in this regulation is meant to alter the intent of section 109.6 of the Revenue and Taxation Code.

*History:* Adopted September 1, 1967, effective October 7, 1967.  
Amended March 27, 2002, effective July 11, 2002. The amendments conform the terminology to current processing and record-keeping technology.

**Rule 255. Enrollment of Supplemental Assessments.**

Authority: Section 15606, Government Code.  
Reference: Sections 75.7, 75.11, 75.21, 75.40, 75.41 and 75.42, Revenue and Taxation Code.

(a) When the period for claiming exemption has expired, and any exemptions have been processed, the assessor shall transmit the supplemental assessment and the following information to the auditor:

(1) Name and address, if known, of the assessee.

**Rule 255 (Contd.)**

- (2) The parcel number or legal description of the property.
  - (3) The tax rate area in which the property is located.
  - (4) The new base year value of the property with the value for the land separated from the value for improvements.
  - (5) The value of the property on the current roll, or the roll being prepared, or both.
  - (6) The exemption applicable, if any.
  - (7) The net supplemental assessment after exemption, or the values required for the auditor to calculate and bill the supplemental value.
  - (8) The date of the change in ownership or completion of new construction.
- (b)** The auditor shall apply the current year's tax rate, as defined in Section 75.4 of the Revenue and Taxation Code, to the supplemental assessment or assessments, computing the amount of taxes that would be due for a full year. If the tax rate for the "roll being prepared" is known, the rate may be used with respect to the fiscal year to which it applies, rather than the current year's tax rate as defined in Section 75.4. If the tax rate for the "roll being prepared" is not known, the current year's tax rate as defined in Section 75.4 shall be used. For property on the supplemental roll, the taxes due shall be computed in two equal installments.
- (c)** The taxes due shall be adjusted by a proration factor as set forth in Section 75.41 of the Revenue and Taxation Code to reflect the portion of the tax year remaining as determined by the date on which the change in ownership occurred or the new construction was completed. In computing the portion of the tax year remaining, the change in ownership or completion of new construction shall be presumed to have occurred on the first day of the month following the date on which change in ownership or completion of new construction occurred.
- (d)** After computing the supplemental taxes due, if the total is twenty dollars (\$20) or less, the auditor may cancel the amount as provided by Section 4986.8 of the Revenue and Taxation Code.
- (e)** If the supplemental assessment is a negative amount, the auditor shall follow the procedures of section 75.41 of the Revenue and Taxation Code to determine the amount of refund to which the assessee may be entitled.
- (f)** No supplemental assessment authorized by this regulation shall be valid, or have any force or effect, unless it is placed on the supplemental roll on or before the applicable date specified in Revenue and Taxation Code section 75.11.
- (g)** No limitations period specified in Revenue and Taxation Code section 75.11 shall commence unless the filing or transmittal specified in the relevant paragraph has been completed.
- (h)** If, before the expiration of the applicable period specified in subdivision (f) for making a supplemental assessment, the taxpayer and the assessor agree in writing to extend the period for making a supplemental assessment, correction, or claim for refund, a supplemental assessment may be made at any time prior to the expiration of that extended period. The extended period may be further extended by successive written agreements entered into prior to the expiration of the most recent extension.

*History:* Adopted March 27, 2002, effective July 11, 2002. The adopted rule is necessary to specify the required items of information and procedures for enrollment of supplemental assessments, to direct auditors, as to the manner in which to apply the current year's tax rate and the proration adjustment of the taxes due, and to provide for the limitations periods for making supplemental assessments.

# GLOSSARY

- 1
- 2 **Acres, gross** - total ground burial acres in the cemetery, including incidental usage.
- 3 **Acres, net** - area of the land used for gravesites.
- 4 **At-need sale** - purchase of burial plot, crypt, or niche at time of death.
- 5 **Burial** - the placement of human remains in a grave.
- 6 **Burial park** - a tract of land for the burial of human remains in the ground, used or intended to be  
7 used, and dedicated for cemetery purposes.
- 8 **Casket/Coffin** - a box or chest for burying human remains.
- 9 **Cement vault or concrete vault** - a reinforced concrete box to receive the casket prior to  
10 interment. The top is sealed to prevent moisture from entering.
- 11 **Cemetery** - a place used, or intended to be used, and dedicated for cemetery purposes. A place  
12 where six or more human bodies are buried.
- 13 **Cemetery authority** - cemetery association, corporation sole, limited liability company, or other  
14 person owning or controlling cemetery lands or property.<sup>57</sup>
- 15 **Cemetery business** - any and all business and purposes requisite to, necessary for, or incidental  
16 to establishing, maintaining, operating, improving, or conducting a cemetery, interring human  
17 remains, and the care, preservation, and embellishment of cemetery property, including, but not  
18 limited to, any activity or business designed for the benefit, service, convenience, education, or  
19 spiritual uplift of property owners or persons visiting the cemetery.
- 20 **Cemetery corporation** - any corporation now or hereafter organized which is authorized by its  
21 articles of incorporation to conduct any or all of the business of a cemetery.
- 22 **Cemetery, endowment** - a cemetery where funds are invested and the income only may be used  
23 for the care, maintenance, and embellishment of the cemetery.
- 24 **Cemetery, nonendowment** - a cemetery that does not have deposited in an endowment care fund  
25 the minimum amounts required by law.
- 26 **Cemetery, public** - a cemetery owned and operated by a city, county, city and county, or public  
27 cemetery district.
- 28 **Cenotaph** - a memorial or empty tomb in honor of someone elsewhere interred.
- 29 **Cinerarium** - any place prepared for inurnment of cremated human remains.

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<sup>57</sup> Health and Safety Code, Section 7018.

- 1 **Columbarium** - a structure, room, or other space in a building or structure containing niches for  
2 inurnment of cremated human remains in a place used, or intended to be used, and dedicated for  
3 cemetery purposes.
- 4 **Cremated remains** - human remains after incineration in a crematory.
- 5 **Cremation** - the reduction of the body of a deceased person to cremated remains in a crematory.
- 6 **Crematory** - a building or structure containing one or more furnaces for the reduction of bodies  
7 of deceased persons to cremated remains.
- 8 **Crypt** - a space in a mausoleum of sufficient size, used or intended to be used to entomb  
9 uncremated human remains.
- 10 **Crypt, companion** - two or more crypts entered through a single crypt opening.
- 11 **Developed property** - interment property properly graded, sprinkler system installed, lawn  
12 planted, and ready for services.
- 13 **Disinterment** - removal of human remains from an original site.
- 14 **Endowment care fund** - a cash deposit in an amount set by law, made by the property owner to  
15 insure continued maintenance and upkeep of the cemetery.
- 16 **Entombment** - the placement of human remains in a mausoleum, crypt or vault.
- 17 **Exhumation** – ~~disinterment~~ removal of human remains from an original site.
- 18 **Grave** - a space of ground in a burial park used, or intended to be used, for burial.
- 19 **Human remains** - the body of a deceased person, including the body in any stage of  
20 decomposition and cremated remains.
- 21 **Inter** - the generic term covering all dispositions of human remains but generally indicating buried  
22 in the earth.
- 23 **Interment** - the disposition of human remains by inurnment, entombment, or burial.
- 24 **Inurnment** - placing cremated remains in an urn and placing the urn in a niche.
- 25 **Inurnment garden** - a lawn property set aside for cremated remains.
- 26 **Lawn crypts** - gravity-flow drained and ventilated companion crypts of reinforced concrete  
27 construction, built 18" to 20" beneath the surface.
- 28 **Lot** - space in a cemetery, used, or intended to be used, for the interment of human remains.
- 29 **Mausoleum** - any building or structure used, or intended to be used, for the entombment of  
30 uncremated human remains.

- 1 **Memorial park** - cemetery.
- 2 **Memorial service** - funeral.
- 3 **Morgue** - cold room set aside for the displaying of unidentified human remains.
- 4 **Mortuary** - a place where dead bodies are kept for a time before burial.
- 5 **Necropolis** - a cemetery.
- 6 **Niche** - a space in a columbarium used, or intended to be used, for inurnment of cremated human
- 7 remains.
- 8 **Plot** - see lot space in a cemetery, used, or intended to be used, for the interment of human remains.
- 9 **Predeveloped** - property mapped but not graded or in lawn.
- 10 **Pre-need sales** - purchases of burial plots, crypts, or niches prior to death.
- 11 **Profit** - net earnings which accrue directly or indirectly to the benefit of stockholders or any other
- 12 individual.
- 13 **Remains** - dead body.
- 14 **Retort** - equipment used for cremation of the human dead.
- 15 **Sarcophagus** - a stone enclosure for a casket, originally of Greek limestone.
- 16 **Sectional liner** - a matching set of cast concrete slabs used for lining a prepared grave.
- 17 **Sepulcher** - a tomb or vault.
- 18 **Temporary receiving vault** - a vault used, or intended to be used, for the temporary placement of
- 19 human remains.
- 20 **Urn** - container for deposit of cremated remains.
- 21 **Vault** - see crypt.
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# PHOTOS



**Figure 1: Mausoleum**



**Figure 2: Mausoleum**



**Figure 3: Two Person Crypt**



Figure 4: Columbarium with Niches



Figure 5: Columbarium with Niches