

## **ESTABLISHMENT OF A NEW CEMETERY**

A cemetery is a public trust, unlike any other business. It is the duty of the Department of Energy, Labor & Economic Growth, under the Cemetery Regulation Act, 1968 PA 251, to assure the public that their loved ones committed to a commercial cemetery are protected from possible business failure.

For persons contemplating the establishment of a new commercial cemetery, the following factors need to be considered, **ALONG WITH THE REQUIREMENTS** of both local and state statutes that will be necessary to obtain approval from the State Cemetery Commissioner.

### **FACTORS FOR CONSIDERATION**

#### **THE COMMUNITY AND ITS POPULATION**

Is it a growing community with steady employment, and an adequate median income? The following formula is generally used as a measuring device to determine the possible sales prospects in your sales area:

Eliminate 1/3 of the population because of religious and racial differences.

From this figure eliminate 1/3 for people under 18 years of age.

From the amount left, divide by 2, as husband and wife are considered one prospect.

## **CEMETERY COMPETITION**

A survey should be conducted to find and identify all cemeteries in a potential sales area of 25 miles. You should try in this survey to determine the number of burial spaces available to the public. Average prices should be obtained especially if there are many municipally owned cemeteries in your sales area. This will be your competition and you must prepare to operate generally within the average prices charged by other cemeteries in your potential sales area.

Your survey should also show the percentage of people in the sales area who already own cemetery burial rights. This can be done by a telephone survey of a generous portion or portions of the contemplated sales area.

Your survey should be done in conjunction with a feasibility study conducted by a CPA (Certified Public Accountant).

### **SELECTION OF CEMETERY SITE**

Low acreage prices do not necessarily mean desirability. The ideal cemetery has rolling land and is easily accessible to the entire community. Local traffic patterns must be considered. Will your proposed cemetery entrance create a potential accident hazard that will endanger funeral processions and visitors to your cemetery?

There must be sufficient acreage to expand. The statute requires a minimum of 40 acres.

This land must be free of all encumbrances, such as mortgages or liens. However, the 40 acres is a minimum amount and additional land expansion options are desirable for future expansion.

Do not purchase acreage on the assumption that approval will be obtained. It is suggested an option to purchase, pending approval, be obtained.

### **SOIL TESTS**

Making soil tests in depth should determine the character of the soil in various places in the proposed cemetery land. Rocky soil is unsuitable as well as fine sand soil. Both make digging a grave a costly process.

Good soil makes good turf. Good turf is vital in maintaining the necessary appearance of the cemetery.

Water tables are also important. Too high a water table can be a great obstacle in making earth burials. It may be impossible to fill and/or drain swampy land to make it suitable for earth burials.

It is recommended that an engineering study be done of the proposed site to locate the natural drainage. The study should also recommend installation of any drainage systems and the projected cost of such drainage systems. This cost could run into thousands of dollars.

A water supply is vital in maintaining a cemetery's appearance. Is there an

adequate supply from the local government and how much will it cost? Is water available on the proposed site such as a lake or stream? Is there underground water that may be tapped?

## LEGAL PRELIMINARIES

When all of the above items are seriously considered and if you have not obtained legal counsel up to this point, you should make such arrangements. Legal counsel will assist you in forming your corporation under the Rural Cemetery Corporations Act, 1869 PA 12, or the Cemetery Corporations Act, 1855 PA 87. Legal counsel should be available to guide you in the complete process of creating the proposed cemetery.

You will be required to have an irrevocable endowment and perpetual care trust fund and you will have to deposit \$50,000 into the fund when the cemetery is approved for registration.

If the cemetery intends to sell pre-need merchandise, a license will be required under the Prepaid Funeral and Cemetery Sales Act, 1986 PA 255.

## PRE-PLANNING

A map of the proposed cemetery is required for licensure; it is recommended that consultation with a cemetery architect, civil engineer and landscape architect be held so that a map can be prepared. The map must

contain a legal description, platted areas, structures, sidewalks, roads, parking, all easements and contiguous properties or waterways.

## RECOMMENDATION

If you or the persons that will be involved in the establishment of the cemetery are not experienced cemetery operators, you may want to seek the advice and guidance of experienced cemetery operators presently in the business. The chance of failure in the cemetery business is great and the Cemetery Commissioner will not approve the creation of any new cemetery unless the applicant can prove his experience, financial stability, ability and integrity and most of all, the COMMUNITY NEED for the planned cemetery.

It is also recommended that you consult with local health and zoning officials, as their approval will make the process easier. You will need local health department approval for water tables and they are the agency issuing burial permits. The local zoning commission may have variances you will be required to obtain.

## APPLICABLE REGULATIONS

The applicable statutes and rules can be found at the cemetery website.

[www.michigan.gov/cemetery](http://www.michigan.gov/cemetery)

## NEW CEMETERY BROCHURE

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