

1 A BILL TO BE ENTITLED
2 AN ACT AMENDING THE LAWS PERTAINING TO THE PRACTICE OF FUNERAL
3 SERVICE.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 21018A reads as rewritten:

6 “§ 90-210.18A. Board of Funeral Service created; qualifications; vacancies; removal.

7 ...

8 (b) The North Carolina Board of Funeral Service is created and shall regulate the practice of
9 funeral service in this State. The Board shall have nine members as follows:

10 (1) ~~Four~~ Three members appointed by the Governor from nominees recommended by the
11 North Carolina Funeral Directors Association, Inc. These members shall be persons
12 licensed under this Article.

13 (2) ~~Two~~ Three members appointed by the Governor from nominees recommended by the
14 Funeral Directors & Morticians Association of North Carolina, Inc. These members
15 shall be persons licensed under this Article.

16 (3) One member appointed by the Governor who is licensed under this Article and who is
17 not affiliated with any funeral service trade association.

18 (4) One member appointed by the General Assembly, upon the recommendation of the
19 President Pro Tempore of the Senate. This member shall be a person who is not licensed
20 under this Article or employed by a person who is licensed under this Article.

21 (5) One member appointed by the General Assembly, upon the recommendation of the
22 Speaker of the House of Representatives. This member shall be a person who is not
23 licensed under this Article or employed by a person who is licensed under this Article.

24 Members of the Board shall serve staggered three-year terms, ending on December 31 of the
25 last year of the term or when a successor has been duly appointed, whichever is later. No member
26 may serve more than two complete consecutive terms. No more than one member employed by
27 the same funeral establishment or another funeral establishment if owned by the same corporation,
28 limited liability company, partnership, or sole proprietorship may serve on the Board at a given
29 time.

30 ...”

31 SECTION 2. G.S. 90-210.123 reads as rewritten:

32 “§ 90-210.23. Powers and duties of the Board.

33 ...

34 (b) The Board shall elect from its members a president, a vice-president and a secretary, no
35 two offices to be held by the same person. The president and vice-president and secretary shall
36 service for one-year terms, but not more than two consecutive terms, and until their successors
37 shall be elected and qualified. The Board shall have authority to engage adequate staff as deemed
38 necessary to perform its duties.

39 ...

40 (d) Every person licensed by the Board and every resident trainee shall furnish all information
41 required by the Board reasonably relevant to the practice of the profession or business for which
42 the person is a licensee or resident trainee. Every funeral establishment and its records and every
43 place of business where the practice of funeral service or embalming is carried on and its records
44 shall be subject to inspection by the Board during normal hours of operation and periods shortly
45 before or after normal hours of operation and shall furnish all information required by the Board
46 reasonably relevant to the business therein conducted. Every licensee, resident trainee, embalming

1 facility, and funeral establishment shall provide the Board with a current ~~post-office~~ residential
2 mailing address which shall be placed on the appropriate register and electronic correspondence
3 mailing address. If a licensee has a different physical and mailing residential address, the licensee
4 shall provide both such addresses to the Board. All notices required by law or by any rule or
5 regulation of the Board to be mailed to any licensee, resident trainee, embalming facility, or funeral
6 service establishment shall be validly given when mailed to either the licensee's last known
7 residential or electronic mailing the address so provided.

8 ...

9 (j) Upon the declaration of a state of emergency, as provided in G.S. 166A-19.20, the Board
10 may temporarily waive any provision of this Article in any threatened area or areas specified in
11 the Governor's executive order or proclamation."

12 **SECTION 3.** G.S. 90-210.25 reads as rewritten:

13 "**§ 90-210.25. Licensing.**

14 (a) Qualifications, Examinations, Resident Traineeship and Licensure. –

15 (1) To be licensed for the practice of funeral directing under this Article, ~~a person must an~~
16 applicant for licensure bears the burden of substantiating to the satisfaction of the Board
17 that he or she:

- 18 a. Is at least 18 years of age.
- 19 b. Is of good moral character.
- 20 c. ~~Be a graduate of a Funeral Director Program at a mortuary science college approved~~
21 ~~by the Board or a school of mortuary science accredited by the American Board of~~
22 ~~Funeral Service Education. Have completed a minimum of 32 semester hours or~~
23 ~~48 quarter hours of instruction, including the subjects set out in sub part e.1 of this~~
24 ~~subdivision, as prescribed by a mortuary science college approved by the Board or~~
25 ~~a school of mortuary science accredited by the American Board of Funeral Service~~
26 ~~Education. Possesses a degree in mortuary science or has graduated from a Funeral~~
27 ~~Director Program, or the equivalents, from a program approved by the Board and~~
28 ~~accredited by the American Board of Funeral Service Education.~~
29 d. Within the last three (3) years, Have has completed twelve (12) months of resident
30 traineeship as a funeral director, pursuant to the procedures and conditions set out
31 in G.S. 90-210.25(a)(4), either before or after satisfying the educational
32 requirement under sub-subdivision c. of this subdivision.
- 33 e. Within the last three (3) years, Have passed an oral or written funeral director
34 examination on the following subjects has obtained passing scores on all of the
35 following examinations:
 - 36 1. ~~Psychology, sociology, pathology, funeral directing, business law, funeral~~
37 ~~law, funeral management, and accounting. Entry level examination in~~
38 ~~funeral directing administered by The International Conference of Funeral~~
39 ~~Service Examining Boards.~~
 - 40 2. Repealed by Session Laws 1997-399, s. 5.
 - 41 3. Examination of the Laws of North Carolina, the standards set forth in
42 Funeral Industry Practices, 16 C.F.R. 453 (1984), pursuant to its most
43 recent version, and rules of the Board and other agencies dealing with the
44 care, transportation and disposition of dead human bodies.
 - 45 4. Examination of pathology.
- 46 f. Has paid all applicable fees.

1 (2) To be licensed for the practice of embalming under this Article, ~~a person must~~
2 an applicant for licensure bears the burden of substantiating to the satisfaction of the Board
3 that he or she:

- 4 a. Is at least 18 years of age.
5 b. Is of good moral character.
6 c. ~~Be a graduate of a mortuary science college approved by the Board~~ Possesses a
7 degree in mortuary science, or the equivalent, from a mortuary science program
8 approved by the Board and accredited by the American Board of Funeral
9 Service Education.
10 d. Within the last three (3) years, has ~~Have~~ completed twelve (12) months of
11 resident traineeship as an embalmer pursuant to the procedures and conditions
12 set out in G.S. 90-210.25(a)(4), either before or after satisfying the educational
13 requirement under sub-subdivision c. of this subdivision.
14 e. Within the last three (3) years, has ~~Have~~ passed an oral or written embalmer
15 examination on the following subjects:
16 1. Embalming, restorative arts, chemistry, pathology, microbiology, and
17 anatomy.
18 2. Repealed by Session Laws 1997-399, s. 6.
19 3. Examination of the Laws of North Carolina, the standards set forth in
20 Funeral Industry Practices, 16 C.F.R. 453 (1984), pursuant to its most
21 recent version, and rules of the Board and other agencies dealing with the
22 care, transportation and disposition of dead human bodies.
23 f. Has paid all applicable fees.

24 (3) To be licensed for the practice of funeral service under this Article, ~~a person must~~
25 an applicant for licensure bears the burden of substantiating to the satisfaction of the Board
26 that he or she:

- 27 a. Is at least 18 years of age.
28 b. Is of good moral character.
29 c. ~~Be a graduate of a mortuary science college approved by the Board~~ Possesses
30 an associate degree in mortuary science, or the equivalent, from a mortuary
31 science program approved by the Board and accredited by the American Board
32 of Funeral Service Education.
33 d. Within the last three (3) years, has ~~Have~~ completed twelve (12) months of
34 resident traineeship as a funeral service licensee, pursuant to the procedures and
35 conditions set out in G.S. 90-210.25(a)(4), either before or after satisfying the
36 educational requirement under sub-subdivisions c. of this subdivision.
37 e. Within the last three (3) years, has ~~Have~~ passed an oral or written funeral service
38 examination on the following subjects.
39 1. ~~Psychology, sociology, funeral directing, business law, funeral law,~~
40 ~~funeral management, and accounting.~~ Entry level examination in funeral
41 directing administered by The International Conference of Funeral Service
42 Examining Boards.
43 2. Embalming, restorative arts, chemistry, pathology, microbiology, and
44 anatomy.
45 3. Repealed by Session Laws 1997-399, s. 7.

1 4. Examination of the Laws of North Carolina, the standards set forth in
2 Funeral Industry Practices, 16 C.F.R. 453 (1984), pursuant to its most
3 recent version, and rules of the Board and other agencies dealing with the
4 care, transportation and disposition of dead human bodies.

5 f. Has paid all applicable fees.

6 (4) a. A person desiring to become a resident trainee shall apply to the Board on a
7 form provided by the Board. The application shall state that the applicant is not
8 less than 18 years of age, of good moral character, and is the graduate of a high
9 school or the equivalent thereof, and shall indicate the licensee under whom the
10 applicant expects to train. A person training to become an embalmer may serve
11 under the supervision of either a licensed embalmer or a funeral service licensee
12 in good standing with the Board and who has practiced funeral service or
13 embalming full-time for a minimum of five (5) years. A person training to
14 become a funeral director may serve under the supervision of either a licensed
15 funeral director or a funeral service licensee in good standing with the Board
16 and who has practiced funeral service or funeral directing full-time for a
17 minimum of five (5) years. A person training to become a funeral service
18 licensee shall serve under the supervision of a funeral service licensee in good
19 standing with the Board and who has practiced funeral service full-time for a
20 minimum of five (5) years. The application must be sustained by oath of the
21 applicant and be accompanied by the appropriate fee. When the Board is
22 satisfied as to the qualifications of an applicant it shall instruct the secretary to
23 issue a certificate of resident traineeship.

24 ...

25 d. A certificate of resident traineeship shall be signed by the resident trainee and
26 upon payment of the renewal fee shall be renewable one year after the date of
27 original registration; but the certificate may not be renewed more than two
28 times. The Board shall mail to each registered trainee at his last known
29 residential or electronic mailing address a notice that the renewal fee is due and
30 that if not paid within 30 days of the notice, the certificate will be canceled. A
31 late fee, in addition to the renewal fee, shall be charged for a late renewal, ~~but~~
32 except that the registration of any resident trainee who is engaged in active
33 service of the Armed Forces of the United States shall not be charged a late fee
34 ~~Armed Forces of the United States at the time renewal is due may, at the~~
35 ~~discretion of the Board, be held in abeyance for the duration of that service~~
36 ~~without penalties.~~ No credit shall be allowed for the 12-month period of
37 resident traineeship that shall have been completed more than three (3) years
38 preceding the examination for a license. However, any resident trainee to
39 whom G.S. 105-249.2 grants an extension of time to file a tax return shall be
40 allowed an extension of time to retain credit equal to the number of days of
41 active deployment.

42 e. All registered resident trainees shall electronically report to the Board at least
43 once every month during traineeship upon forms provided by the Board listing
44 the work which has been completed during the preceding month of resident
45 traineeship. The Board may set and collect a late fee not to exceed fifty dollars
46 for each work report filed after the date the report is due. The data contained in

1 the reports shall be certified as correct by the licensee under whom the trainee
2 has served during the period and by the licensed person who is managing the
3 funeral establishment. Each report shall list the following:

- 4 1. For funeral director trainees, the conduct of any funerals during the
5 relevant time period;
- 6 2. For embalming trainees, the embalming of any bodies during the
7 relevant time period;
- 8 3. For funeral service trainees, both of the activities named in 1 and 2 of
9 the subsection, engaged in during the relevant time period.

10 f. To meet the resident traineeship requirements of G.S. 90-210.25(a)(1), G.S. 90-
11 210.25(a)(2) and G.S. 90-210.25(a)(3) the following must be shown by the
12 affidavit(s) of the licensee(s) under whom the trainee worked:

- 13 1. That the funeral director has, under supervision of the licensed
14 individual registered as the trainee's supervisor, substantially
15 assisted in directing at least 25 funerals during the resident
16 traineeship,
- 17 2. That the embalmer trainee has, under supervision of the licensed
18 individual registered as the trainee's supervisor, substantially
19 assisted in embalming at least 25 bodies during the resident
20 traineeship,
- 21 3. That the funeral service trainee has, under supervision of the
22 licensed individual registered as the trainee's supervisor,
23 substantially assisted in directing at least 25 funerals and, under
24 supervision of the licensed individual registered as the trainee's
25 supervisor, substantially assisted in embalming at least 25 bodies
26 during the resident traineeship.

27 g. The Board may suspend, ~~or~~ revoke, or refuse to issue or renew a certificate of
28 resident traineeship for violation of any provision of this Article or place a trainee
29 on probation for any violation of this Article or rules adopted by the Board. The
30 Board may determine the length of any revocation, suspension, refusal to issue or
31 renew, or probation and impose conditions on any probation and/or reinstatement
32 as the Board deems appropriate.

33 h. Each ~~sponsor~~ registered supervisor for a ~~registered~~ resident trainee must during the
34 period of sponsorship be actively employed with a funeral establishment. The
35 traineeship shall be a primary vocation of the trainee.

36 i. Only one resident trainee may register and serve at any one time under any one
37 person licensed and registered as a resident trainee supervisor under this Article.

38 j. , k. Repealed by Session Laws 1991, c. 528, s. 4.

39 l. ~~The Board shall register no more than one resident trainee at a funeral establishment~~
40 ~~that served 100 or fewer families during the 12 months immediately preceding the~~
41 ~~date of the application, and shall register no more than one resident trainee for each~~
42 ~~additional 100 families served at the funeral establishment during the 12 months~~
43 ~~immediately preceding the date of the application. Any resident trainee or~~
44 registered supervisor of a resident trainee shall meet with the Board upon request.

45 (5) The Board by regulation may recognize other examinations that the Board deems
46 equivalent to its own. After an applicant fails to obtain a passing score on an

1 examination two consecutive times, the applicant must wait sixty (60) days to retake
2 the examination.

3 ...

4 c. All licensees now or hereafter licensed in North Carolina shall take
5 continuing education courses approved by the Board in subjects relating
6 to the practice of the profession for which they are licensed, to the end
7 that the benefits of learning and reviewing skills will be utilized and applied
8 to assure proper service to the public.

9 d. As a prerequisite to the annual renewal of a license, the licensee must
10 complete, during the year immediately preceding renewal, at least five
11 hours of continuing education courses, of which the Board may require
12 licensees to take up to two hours specified by the Board. All continuing
13 education courses must be approved by the Board prior to enrollment. A
14 licensee who completes more than five hours in a year may carry over a
15 maximum of five hours as a credit to the following year's requirement. A
16 licensee ~~who is issued an initial license on or after July 1~~ does not have to
17 satisfy the continuing education requirement for the calendar year in which
18 the license was first obtained.

19 ...

20 h. The Department of Justice or the North Carolina Department of Public
21 Safety may provide a criminal record check to the Board for a person who
22 has applied for a new or renewal license, or certification through the Board.
23 The Board shall provide to the Department of Justice or the North Carolina
24 Department of Public Safety, along with the request, the fingerprints of the
25 applicant, any additional information required by the Department of Justice
26 or the North Carolina Department of Public Safety, and a form signed by
27 the applicant consenting to the check of the criminal record and to the use
28 of the fingerprints and other identifying information required by the State
29 or national repositories. The applicant's fingerprints shall be forwarded to
30 the State Bureau of Investigation for a search of the State's criminal history
31 record file, and the State Bureau of Investigation shall forward a set of the
32 fingerprints to the Federal Bureau of Investigation for a national criminal
33 history check. The Board shall keep all information pursuant to this
34 subdivision privileged, in accordance with applicable State law and federal
35 guidelines, and the information shall be confidential and shall not be a
36 public record under Chapter 132 of the General Statutes.

37 The Department of Justice or the North Carolina Department of
38 Public Safety, or either the State Bureau of Investigation or the Federal
39 Bureau of Investigation, may charge each applicant a fee for conducting the
40 checks of criminal history records authorized by this subdivision.

41 ...

42 (a2) In order to engage in the practice of funeral directing or funeral service, such a
43 licensee must own, be employed by, or otherwise be an agent of a licensed funeral establishment;
44 except that such a licensee may practice funeral directing or funeral service if:

45 (1) Employed by a college of mortuary science; or

46 (2) The licensee does all of the following:

- 1 a. Maintains all of his or her business records at a location
2 made known to the Board and available for inspection by the
3 Board under the same terms and conditions as the business
4 records of a licensed funeral establishment;
- 5 b. Complies with rules and regulations imposed on funeral
6 establishments and the funeral profession that are designed
7 to protect consumers, to include, but not be limited to, the
8 Federal Trade Commission's laws and rules requiring
9 General Price Lists and Statements of Goods and Services;
10 ~~and~~
- 11 c. Pays to the Board the funeral establishment license fee
12 required by law and set by the Board-;
- 13 d. Obtains and maintains a professional liability insurance
14 policy with liability limits of at least one million dollars
15 (\$1,000,000). Certificates of professional liability insurance
16 shall be (i) submitted to the Board within 30 days of the
17 initial registration of the licensee by the Board, (ii) made
18 available during any inspection by the Board, and (iii)
19 submitted to the Board upon request. The licensee shall
20 notify the Board in writing within 30 days of any change in
21 the insurer or any cancellation or suspension of the policy;
22 and
- 23 e. Provides to the Board annually as a condition of renewal the
24 name and address of the funeral establishment or embalming
25 facility where embalming is performed, provided that an
26 embalming facility may not be used for storing any dead
27 human body in excess of 24 hours. The licensee shall notify
28 the Board in writing within 30 days of any change in the
29 funeral establishment or embalming facility with which the
30 licensee has contracted or affiliated.

31 Nothing in this subdivision shall preclude a licensee from
32 arranging cremations and cremating human remains while
33 employed by a crematory.

34 (b) Persons Licensed under the laws of Other Jurisdictions. –

35 (1) ~~The Board shall grant licenses to funeral directors, embalmers and funeral service~~
36 ~~licensees, licensed in other states, territories, or the District of Columbia, and foreign~~
37 ~~countries, when it is shown that an applicant holds a valid license as a funeral director,~~
38 ~~embalmer or funeral service licensee issued by the other jurisdiction, has demonstrated~~
39 ~~knowledge of the laws and rules governing the profession in North Carolina and has~~
40 ~~submitted proof of his good moral character; and either that the applicant has continuously~~
41 ~~practiced the profession in the other jurisdiction for at least three years immediately~~
42 ~~preceding his applicant, or the Board has determined that the licensing requirements for~~
43 ~~the other jurisdiction are substantially similar to those of North Carolina. has satisfied the~~
44 following:

- 45 a. The applicant holds an active, valid license in good standing as a funeral
46 director, embalmer, or funeral service licensee issued by a jurisdiction that

1 will reciprocate a North Carolina license to practice as a funeral director,
2 embalmer, or funeral service licensee. The license, at the time it was issued
3 by the other jurisdiction, must have had equal or greater education, training
4 and examination requirements.

5 b. The applicant has demonstrated knowledge of the laws and rules governing
6 the profession in North Carolina through achieving a passing score on the
7 laws and rules exam administered on behalf of the Board.

8 c. The applicant has submitted proof of his good moral character; and

9 d. The applicant has practiced in the profession for at least three (3) years in a
10 jurisdiction that will reciprocate a North Carolina license to practice as a
11 funeral director, embalmer, or funeral service licensee.

12 Nothing in this paragraph shall preclude any individual from obtaining a license by
13 Meeting the requirements of paragraphs (a)(1), (2), or (3) of this subsection.

14 ~~(2) The Board shall periodically review the mortuary science licensing requirements of~~
15 ~~other jurisdictions and shall determine which licensing requirements are~~
16 ~~substantially similar to the requirements of North Carolina.~~

17 ~~(3)~~(2) The Board may issue special permits, to be known as courtesy cards, permitting
18 nonresident funeral directors, embalmers and funeral service licensees to remove
19 bodies from and to arrange and direct funerals and embalm bodies in this State, but
20 these privileges shall not include the right to establish a place of business in or
21 engage generally in the business of funeral directing and embalming in this State.
22 Except for special permits issued by the Board for teaching continuing education
23 programs and for work in connection with disasters, no special permits may be
24 issued to nonresident funeral directors, embalmers, and funeral service licensees
25 from states that do not issue similar courtesy cards to persons licensed in North
26 Carolina pursuant to this Article.

27 ...
28 (c) Registration, Filing and Transportation. -

29 ...
30 (7) Individuals eligible to receive a permit under this section for the transportation
31 or removal of a dead human body for a fee, shall:

32 ...
33 f. Either obtains and maintains, or works for an employer who obtains and
34 maintains a professional liability insurance policy with liability limits of
35 at least one million dollars (\$1,000,000). Certificates of professional
36 liability insurance shall be (i) submitted to the Board within 30 days of the
37 initial registration of the transporter by the Board, and (ii) submitted to the
38 Board annually as a condition for renewal of each transport permit. The
39 transporter shall notify the Board in writing within 30 days of any change
40 in the insurer or any cancellation or suspension of the policy.

41 ...
42 (d) Establishment Permit. -

43 ...
44 (4) The Board may place on probation, refuse to issue or renew, suspend, or revoke a
45 permit when an owner, partner, manager, member, operator, or officer of the funeral
46 establishment violates any provision of this Article or any regulations of the Board,

1 or when any agent or employee of the funeral establishment, with the consent of
2 any person, firm or corporation operating the funeral establishment, violates any of
3 those provisions, rules or regulations. In any case in which the Board is entitled to
4 place a funeral establishment permittee on a term of probation, the Board may also
5 impose a penalty of not more than five thousand dollars (\$5,000) in conjunction
6 with the probation. In any case in which the Board is entitled to suspend, revoke,
7 or refuse to issue or renew a permit, the Board may accept from the funeral
8 establishment permittee an offer to pay a penalty of not more than five thousand
9 dollars (\$5,000). The Board may either accept a penalty or revoke or refuse to renew
10 a license, but not both. Any penalty under this subdivision may be in addition to
11 any penalty assessed against one or more licensed individuals employed by the
12 funeral establishment. The Board shall have the authority to determine the length
13 and conditions of any period of revocation, suspension, refusal to issue or renew,
14 or probation.

15 (5) Funeral establishment permits are not transferable. A new application for a permit
16 shall be made to the Board within 30 days of a change of ownership of a funeral
17 establishment. A change to the legal structure owning a funeral establishment shall
18 constitute a change of ownership only when there is a change of a majority of the
19 funeral establishment's owners, partners, managers, members, operators, or
20 officers. For purposes of this subsection, a funeral establishment shall mean one or
21 more structures on a contiguous piece of property.

22 ...
23 (e) Revocation; Suspension; Compromise; Disclosure. –

24 (1) Whenever the Board finds that an applicant for a license or a person to whom a
25 license has been issued by the Board is guilty of any of the following acts or
26 omissions and the Board also finds that the person has thereby become unfit to
27 practice, the Board may suspend or revoke the license or refuse to issue or renew
28 the license, in accordance with the procedures set out in Chapter 150B of the
29 General Statutes:

- 30 ...
- 31 b. Fraud or misrepresentation in obtaining or renewing a license, ~~or~~ in the
32 practice of funeral service, or operation of a licensee's business.
 - 33 ...
 - 34 j. Violating or cooperating with others to violate any of the provisions of this
35 Article or Articles 13D, 13E, or 13F of Chapter 90 of the General Statutes
36 this Chapter, any rules and regulations of the Board, or the standards set
37 forth in Funeral Industry Practices, 16 C.F.R. 453 (1984), as amended from
38 time to time.
 - 39 ...
 - 40 o. Failure to refund any insurance proceeds received as consideration in excess
41 of the funeral contract purchase price within thirty (30) days of receipt;
42 provided however, that this provision shall not be construed to include
43 interest or growth on funds paid towards funeral goods and services to be
44 provided pursuant to an inflation-proof preneed contract.
 - 45 p. Failure to provide, within a reasonable time, either the goods and services
46 contracted for, or a refund for the price of goods and services paid for but

1 not fulfilled.

2 q. Violation of G.S. 58-58-97.

3 In any case in which the Board is entitled to suspend, revoke or refuse to renew a
4 license, the Board may accept from the licensee an offer to pay a penalty of not
5 more than five thousand dollars (\$5,000). The Board may either accept a penalty
6 or revoke or refuse to renew a license, but not both.

- 7 (2) Where the Board finds that a licensee is guilty of one or more of the acts or
8 omissions listed in subdivision (e)(1) of this section but it is determined by the
9 Board that the licensee has not thereby become unfit to practice, the Board may
10 place the licensee on a term of probation in accordance with the procedures set out
11 in Chapter 150B of the General Statutes. In any case in which the Board is entitled
12 to place a licensee on a term of probation, the Board may also impose a penalty of
13 not more than five thousand dollars (\$5,000) in conjunction with the probation. The
14 Board may also require satisfactory completion of remedial or educational training
15 as a prerequisite to license reinstatement or for completing the term of probation.
16 The Board shall have the authority to determine the length and conditions of any
17 period of suspension, revocation, probation, or refusal to issue or renew a license.

18 No person licensed under this Article shall remove or cause to be embalmed a dead human
19 body when he or she has information indicating crime or violence of any sort in connection with
20 the cause of death, nor shall a dead human body be cremated, until permission of the State or
21 county medical examiner has first been obtained. However, nothing in this Article shall be
22 construed to alter the duties and authority now vested in the office of the coroner.

23 No funeral ~~serviee~~ establishment shall accept a dead human body from any public officer
24 (excluding the State or county medical examiner or his agent), or employee or from the official of
25 any institution, hospital or nursing home, or from a physician or any person having a professional
26 relationship with a decedent, without having first made due inquiry as to the desires of the persons
27 who have the legal authority to direct the disposition of the decedent's body. If any persons are
28 found, their authority and directions shall govern the disposal of the remains of the decedent. Any
29 funeral establishment receiving the remains in violation of this subsection shall make no charge
30 for any service in connection with the remains prior to delivery of the remains as stipulated by the
31 persons having legal authority to direct the disposition of the body. This section shall not prevent
32 any funeral establishment from charging and being reimbursed for services rendered in connection
33 with the removal of the remains of any deceased person in case of accidental or violent death, and
34 rendering necessary professional services required until the persons having legal authority to direct
35 the disposition of the body have been notified.

36 When and where a licensee presents a selection of funeral merchandise to the public to be used
37 in connection with the service to be provided by the licensee or an establishment as licensed under
38 this Article, a card or brochure shall be directly associated with each item of merchandise setting
39 forth the price of the service using said merchandise and listing the services and other merchandise
40 included in the price, if any. When there are separate prices for the merchandise and services, such
41 cards or brochures shall indicate the price of the merchandise and of the items separately priced.

42 At the time funeral arrangements are made and prior to the time of rendering the service and
43 providing the merchandise, a funeral director or funeral service licensee shall give or cause to be
44 given to the person or persons making such arrangements a written statement duly signed by a
45 licensee of said funeral establishment showing the price of the service as selected and what services
46 are included therein, the price of each of the supplemental items of services or merchandise

1 requested, and the amounts involved for each of the items for which the funeral establishment will
2 advance moneys as an accommodation to the person making arrangements, insofar as any of the
3 above items can be specified at that time. If fees charged by a finance company for expediting
4 payment of life insurance proceeds to the establishment will be passed on to the person or persons
5 responsible for payment of the funeral expenses, information regarding the fees, including the total
6 dollar amount of the fee, shall be disclosed in writing. The statement shall have printed, typed or
7 stamped on the face thereof: "This statement of disclosure is provided under the requirements of
8 North Carolina G.S. 90-210.25(e)." The Board may prescribe other disclosures that a licensee shall
9 give to consumers upon finding that the disclosure is necessary to protect public health, safety, and
10 welfare.

11 ...”

12 **SECTION 4.** G.S. 90-210.27A reads as rewritten:

13 **“§ 90-210.27A. Funeral establishments.**

14 ...

15 (k) A funeral establishment shall obtain and maintain a professional liability insurance
16 policy with liability limits of at least one million dollars (\$1,000,000). If the funeral
17 establishment utilizes a licensee that is permitted to engage in the practice of funeral
18 service under G.S. 90-210.25(a2(2), the funeral establishment shall ensure that such
19 licensee is named as an additional insured on the professional liability insurance
20 policy. Proof of such insurance shall be submitted to the Board before a new
21 establishment permit will be issued, and shall be submitted to the Board upon
22 request. The Board shall not renew a funeral establishment permit until it is shown
23 that the funeral establishment has obtained liability insurance coverage. The funeral
24 establishment shall notify the Board within 30 days of any change of insurer or any
25 cancelation or suspension of the policy.

26 (l) Human remains shall be stored in a funeral establishment or licensed crematory
27 at all times when the remains are not in transit, or at a gravesite, church, or other
28 facility or residence for the purpose of a visitation or funeral service.

29 (m) Unembalmed human remains retained in the custody of a funeral establishment for
30 more than 24 hours shall be kept in a refrigeration unit.

31 **SECTION 5.** G.S. 90-210.29B reads as rewritten:

32 **“§ 90-210.29B. Examination scores not Exemptions from public record.**

33 (a) The examination scores of applicants for licensure shall not be subject to the provisions
34 of Chapter 132 of the General Statutes. The Board shall release to any person requesting
35 examination scores whether or not the applicant has obtained a passing score ~~at the~~
36 ~~time of the request~~ within a reasonable amount of time.

37 (b) Records, papers, and other documents containing information collected or compiled by
38 or on behalf of the Board as a result of a complaint, investigation, audit, or interview
39 in connection with a licensee, permittee, or registrant, disciplinary matter, or any
40 applicant for licensure, shall not be subject to the provisions of Chapter 132 of the
41 General Statutes. Any notice of hearing or decision rendered in connection with a
42 hearing shall be a public record subject to inspection.”

43 **SECTION 6.** G.S. 210.63 reads as rewritten:

44 **“§ 90-210.63. Substitution of licensee.**

45 (a) If the preneed funeral contract is irrevocable, the preneed funeral contract purchaser,
46 or after his death the preneed funeral contract beneficiary or his legal representative,

1 upon written notice to the financial institution or insurance company and the preneed
2 licensee who is a party to the preneed funeral contract, may direct the substitution of a
3 different funeral establishment to furnish funeral services and merchandise.

4 ...

5 (4) Any funeral establishment holding a permit under Article 13A of this Chapter that
6 accepts the transfer of a preneed funeral contract after the death of the preneed contract
7 beneficiary shall file the certificate of performance with the Board and mail a copy to
8 the contracting preneed licensee. If the preneed funeral contract is performed by a
9 funeral establishment in another state, the original contracting preneed licensee shall
10 make reasonable efforts to obtain the information needed to accurately complete the
11 certificate of performance and shall file the certificate not later than the time allowed
12 by G.S. 90-210.64.

13 ...”

14 **SECTION 7.** Article 13D of Chapter 90 of the General Statutes is amended by adding the
15 following new section to read:

16 **“§ 90-210.63B. Cancellation of insurance preneed contracts by preneed licensee.**

17 A preneed licensee may cancel an insurance-funded preneed funeral contract by sending
18 written notice through first-class U.S. Mail, postage prepaid to the last known address of the
19 preneed funeral contract purchaser, or after the purchaser’s death, the preneed contract beneficiary
20 or the beneficiary’s legal representative, if all of the following conditions apply:

- 21 (1) The preneed funeral contract beneficiary has not used the preneed funeral contract
22 to qualify for benefits from the Department of Health and Human Services;
23 (2) One or more insurance policies used as consideration for the preneed contract have
24 been lapsed, revoked, or canceled by the preneed contract purchaser; and
25 (3) The value of all insurance policies under the preneed contract does not exceed five
26 hundred dollars (\$500.00).”

27 **SECTION 8.** G.S. 90-210.64 reads as rewritten:

28 **“§ 90-210.64. Death of preneed funeral contract beneficiary; disposition of funds.**

29 ...

30 (d) When the balance of a preneed funeral fund is one ~~hundred dollars (\$100.00)~~
31 thousand dollars (\$1,000.00) or less and is payable to the estate of a deceased preneed funeral
32 contract beneficiary and there has been no representative of the estate appointed, the balance due
33 may be paid directly to a beneficiary or to the beneficiaries of the estate. If the balance of a preneed
34 funeral fund exceeds one ~~hundred dollars (\$100.00)~~ thousand dollars (\$1,000.00) or is not payable
35 to the estate, the balance must be paid into the office of the clerk of superior court in the county
36 where probate proceedings could be filed for the deceased preneed funeral contract beneficiary.

37 ...”

38 **SECTION 9.** G.S. 90-210.66 reads as rewritten:

39 **“§ 90-210.66. Recovery fund.**

40 ...

41 (b) From the fee for each preneed funeral contract as required by G.S. 90-210.67(d), the
42 Board shall deposit at least two dollars (\$2.00) but not more than ten dollars (\$10.00)
43 into the Fund. The Board may suspend the deposits into the Fund at any time and for
44 any period for which the Board determines that a sufficient amount is available set the
45 amount of the deposit into the Fund as it deems necessary to meet likely disbursements
46 and to maintain an adequate reserve.

1 ...”

2 **SECTION 10.** G.S. 90-210.68 reads as rewritten:

3 “§ 90-210.68. Licensee’s books and records; notice of transfers, assignments and
4 terminations.

5 "(a) Every preneed licensee shall keep for examination by the Board accurate accounts,
6 books, and records in this State of all preneed funeral contract and insurance policy transactions
7 used to fund preneed funeral contracts, copies of all agreements, insurance policies, instruments
8 of assignment, the dates and amounts of payments made and accepted thereon, the names and
9 addresses of the contracting parties, the persons for whose benefit funds are accepted, and the
10 names of the financial institutions holding preneed funeral trust funds and insurance companies
11 issuing insurance policies used to fund preneed funeral contracts. The Board, its inspectors
12 appointed pursuant to G.S. 90-210.24 and its examiners, which the Board may appoint to assist in
13 the enforcement of this Article, may during normal hours of operation and periods shortly before
14 or after normal hours of operation, investigate the books, records, and accounts of any licensee
15 under this Article with respect to trust funds, preneed funeral contracts, and insurance policies used
16 to fund preneed funeral contracts. Any preneed licensee who, upon inspection, fails to meet the
17 requirements of this subsection or who fails to keep an appointment for an inspection shall pay a
18 reinspection fee to the Board in an amount not to exceed one hundred dollars (\$100.00). The
19 Board may require the attendance of and examine under oath all persons whose testimony it may
20 require. Every preneed licensee shall submit a written report to the Board, at least annually, in a
21 manner and with such content as established by the Board, of its preneed funeral contract sales and
22 performance of such contracts. The Board may also require other reports.

23

24 (c) If any preneed licensee transfers or assigns its assets or stock to a successor funeral
25 establishment or terminates its business as a funeral establishment, the preneed licensee and
26 assignee shall notify the Board at least ~~45~~ thirty (30) days prior to the effective date of the transfer,
27 assignment or termination: provided, however, the successor funeral establishment must be a
28 preneed licensee or shall be required to apply for and be granted such license by the Board before
29 accepting any preneed funeral contracts, whether funded by trust deposits or preneed insurance
30 policies. Provided further, a successor funeral establishment shall be liable to the preneed funeral
31 contract purchasers for the amount of contract payments retained by the assigning or transferring
32 funeral home pursuant to G.S. 90-210.61(a)(2).

33 (d) Financial institutions that accept preneed funeral trust funds and insurance
34 companies that issue or assign ~~prearrangement~~ insurance policies that are used to fund preneed
35 funeral contracts shall, upon request by the Board or its inspectors or examiners, disclose any
36 information regarding preneed funeral trust accounts held or ~~prearrangement insurance policies~~
37 ~~issued by it for a preneed licensee~~ any insurance policies used to fund a preneed funeral contract.

38 Financial institutions that accept preneed funeral trust funds and insurance companies
39 that issue or assign insurance policy proceeds or designate a preneed funeral establishment as
40 policy beneficiary or owner shall also forward an account balance to the contracting preneed
41 funeral establishment at the end of each calendar year.

42 ...”

43 **SECTION 11.** G.S. 210.69 reads as rewritten:

44 “§ 90-210.69. Rulemaking; enforcement of Article; judicial review; determination of penalty
45 amount.

46 ...

1 (c) In accordance with the provisions of Chapter 150B of the General Statutes, if the Board
2 finds that a licensee, an applicant for a license or an applicant for license renewal is
3 guilty of one or more of the following, the Board may refuse to issue or renew a license
4 or may suspend or revoke a license or place the holder thereof on probation upon
5 conditions set by the Board, with revocation upon failure to comply with the conditions:

6 ...

7 (4) Fraud or misrepresentation in obtaining or receiving a license, or in preneed funeral
8 planning, or operation of a licensee's business.

9 ...”

10 **SECTION 12.** G.S. 90-210.123 reads as rewritten:

11 **“§ 90-210.123. Licensing and inspection.**

12 ...

13 (g) Whenever the Board finds that an owner, partner, crematory manager, member, officer,
14 or any crematory technician of a crematory licensee or any applicant to become a crematory
15 licensee, or that any authorized employee, agent, or representative has violated any provision of
16 this Article, or is guilty of any of the following acts, and when the Board also finds that the
17 crematory operator or applicant has thereby become unfit to practice, the Board may suspend,
18 revoke, or refuse to issue or renew the license, in accordance with Chapter 150B of the General
19 Statutes:

20 ...

21 (2) Fraud or misrepresentation in obtaining or renewing a license, or in the practice
22 of cremation, or operation of a licensee's business.

23 ...

24 (10) Violating or cooperating with others to violate any of the provisions of this
25 Article or of the rules of the Board, or violation of Funeral Industry Practices,
26 16 C.F.R. 453 (1984), as amended from time to time.

27 ...

28 (15) Allowing anyone other than a licensee of the Board or a crematory technician
29 to perform a cremation.

30 ...

31 (h) Where the Board finds a licensee is guilty of one or more of the acts or omissions
32 listed in subsection (g) of this section but it is determined by the Board that the licensee has not
33 thereby become unfit to practice, the Board may place the licensee on a term of probation in
34 accordance with the procedures set out in Chapter 150B of the General Statutes. In any case in
35 which the Board is entitled to place a licensee on a term of probation, the Board may also impose
36 a penalty of not more than five thousand dollars (\$5,000) in conjunction with the probation. The
37 Board may determine the length and conditions of any period of probation, suspension, revocation,
38 or refusal to issue or renew a license.

39 ...”

40 **SECTION 13.** G.S. 90-210.125 reads as rewritten:

41 **“§ 90-210.125. Authorization to cremate.**

42 (a) A crematory licensee shall not cremate human remains until it has received a cremation
43 authorization form signed by an authorizing agent. The cremation authorization form
44 shall be prescribed by the Board and shall contain at a minimum the following
45 information:

46 ...

1 (9) A representation that the human remains do not contain a pacemaker not approved
2 for cremation by the pacemaker's manufacturer or proper regulating agency or any
3 other material or implant that may be potentially hazardous to the person performing
4 the cremation.
5 ...”

6 **SECTION 14.** G.S. 90-210.129 reads as rewritten:

7 **“§ 90-210.129. Cremation procedures.**

8 "(a) ~~In deaths~~For any death occurring in North Carolina, certified by the attending physician
9 or other person authorized by law to sign a death certificate under the supervision of a physician,
10 the body shall not be cremated before the crematory licensee receives a death certificate signed by
11 the attending physician, person authorized to sign the death certificate, which shall contain at a
12 minimum the following information:

- 13 (1) Decedent's name;
- 14 (2) Date of death;
- 15 (3) Date of birth;
- 16 (4) Sex;
- 17 (5) Place of death;
- 18 (6) Facility name (if not institution, give street and number);
- 19 (7) County of death;
- 20 (8) City of death; and
- 21 (9) Time of death (if known)

22 ...

23 (c1) For any death occurring outside North Carolina, a crematory licensee shall not cremate
24 a dead human body without first obtaining a copy of a burial-transit permit issued by the
25 jurisdiction where the death occurred and one of the following documents:

- 26 (1) A death certificate from the other jurisdiction that meets the same content and
27 signature requirements of subsection (a) of this section.
- 28 (2) Any document or certificate required to authorize cremation in the jurisdiction
29 where the death occurred that is signed by a physician, medical examiner, or
30 other authorized person and contains all information required by subsections
31 (a)(1) through (a)(9) of this section.

32 The provisions of this subsection shall not be construed to waive the jurisdiction of the medical
33 examiner.

34 (d) No body shall be knowingly cremated with a pacemaker or defibrillator not approved for
35 cremation by the pacemaker's manufacturer or proper regulating agency, or other potentially
36 hazardous implant or condition in place. The authorizing agent for the cremation of the human
37 remains shall be responsible for taking all necessary steps to ensure that any pacemaker or
38 defibrillator not approved for cremation by the pacemaker's manufacturer or proper regulating
39 agency or other potentially hazardous implant or condition is removed or corrected prior to
40 cremation. If an authorizing agent informs the funeral director and the crematory licensee on the
41 cremation authorization form of the presence of a pacemaker or defibrillator or other potentially
42 hazardous implant or condition in the human remains, then the funeral director shall be responsible
43 for ensuring that all necessary steps have been taken to remove the pacemaker or defibrillator or
44 other potentially hazardous implant or to correct the hazardous condition before delivering the
45 human remains to the crematory.

46 ...”

1 **SECTION 15.** Article 13F of Chapter 90 of the General Statutes is amended by adding
2 the following new section to read:

3 **"§ 90-210.136. Hydrolysis of human remains.**

4 (a) The following definitions shall apply to this section:

5 (1) “Alkaline hydrolysis” means - the technical process using water, heat, and other
6 chemical agents to destroy, dissolve, or reduce human remains to simpler or
7 essential elements.

8 (2) Hydrolysis container. - A container other than a casket designed to enclose
9 human remains and made of suitable material to be easily destroyed during
10 hydrolysis and to resist spillage and leakage. A hydrolysis container may be a
11 cremation container or any other container that meets the requirements of this
12 subsection.

13 (3) Hydrolysis licensee. - The person or entity licensed to hydrolyze human remains
14 and perform hydrolysis.

15 (4) Liquid waste. - Any liquid remaining after hydrolysis that does not contain any
16 trace elements of human tissue.

17 (b) No person, cemetery, funeral establishment, corporation, partnership, joint venture,
18 voluntary organization, or other entity shall hydrolyze human remains without first obtaining a
19 license from the Board.

20 (c) Except as otherwise provided by this section, a license for the hydrolysis of human
21 remains shall have the same requirements and fees under this Article as for the licensing of
22 crematories. The hydrolysis of human remains shall be conducted in compliance with all
23 requirements for cremation, and the licensee shall pay the same fees for monthly reports for each
24 hydrolysis as crematories under this Article.

25 (d) The Board shall have the same powers to regulate, enforce, discipline, and inspect
26 hydrolysis licensees and the practice of hydrolysis that have been granted under this Article for
27 the regulation, enforcement, discipline, and inspection of crematories and the practice of
28 cremation.

29 (e) Any solid remains or residue remaining after hydrolysis shall be treated and disposed
30 of as cremated remains under this Article. Disposal of liquid waste shall be subject to all applicable
31 health and environmental laws and regulations.

32 (f) Human remains shall be hydrolyzed in a hydrolysis container and shall not be required
33 to be hydrolyzed in a casket.

34 (g) Unless specified otherwise by the manufacturer of the equipment used for hydrolysis,
35 human remains may be hydrolyzed without first removing a pacemaker or other material or
36 implant that would be potentially hazardous if cremated.

37 (h) The Board shall promulgate rules necessary to effectuate the licensing of alkaline
38 hydrolysis.

39 **SECTION 16.** If any provision of this act or its applicant is held invalid, the invalidity
40 does not affect other provisions or applications of this act that can be given effect without the
41 invalid provisions or application, and to this end any such provisions of this act are severable.

42 **SECTION 17.** This act shall become effective immediately upon being signed into law.