

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 529  
Committee Substitute Favorable 6/7/18  
Third Edition Engrossed 6/11/18  
PROPOSED SENATE COMMITTEE SUBSTITUTE H529-PCS10518-SV-56

Short Title: Amend Funeral Laws.

(Public)

Sponsors:

Referred to:

March 30, 2017

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. 90-210.25 reads as rewritten:

6 "§ 90-210.25. Licensing.

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

8 (1) To be licensed for the practice of funeral directing under this Article, ~~a person~~  
9 ~~must be an applicant for licensure~~ bears the burden of substantiating to the  
10 satisfaction of the Board that the applicant:

11 a. ~~Be~~ Is at least 18 years of age.

12 b. ~~Be~~ Is of good moral character.

13 c. ~~Be a graduate of a Funeral Director Program at a mortuary science~~  
14 ~~college approved by the Board or a school of mortuary science~~  
15 ~~accredited by the American Board of Funeral Service Education. Have~~  
16 ~~completed a minimum of 32 semester hours or 48 quarter hours of~~  
17 ~~instruction, including the subjects set out in sub part e.1. of this~~  
18 ~~subdivision, as prescribed by a mortuary science college approved by~~  
19 ~~the Board or a school of mortuary science accredited by the American~~  
20 ~~Board of Funeral Service Education. Possesses a degree in mortuary~~  
21 ~~science or has graduated from a Funeral Director Program, or the~~  
22 ~~equivalent, from a program approved by the Board and accredited by~~  
23 ~~the American Board of Funeral Service Education.~~  
24 Possesses a degree in mortuary science or has graduated from a Funeral Director Program, or the  
25 equivalent, from a program approved by the Board and accredited by  
26 the American Board of Funeral Service Education.

27 d. ~~Have~~ Within the last three years, has completed 12 months of resident  
28 traineeship as a funeral director, pursuant to the procedures and  
29 conditions set out in G.S. 90-210.25(a)(4), either before or after  
30 satisfying the educational requirement under sub-subdivision c. of this  
31 subdivision.

32 e. ~~Have passed an oral or written funeral director examination on~~ Within  
33 the last three years, has obtained passing scores on all of the following  
34 subjects:examinations:

1. ~~Psychology, sociology, pathology, funeral directing, business~~  
~~law, funeral law, funeral management, and~~  
~~accounting.~~ Entry-level examination in funeral directing



\* H 5 2 9 - P C S 1 0 5 1 8 - S V - 5 6 \*

- 1 administered by The International Conference of Funeral  
2 Service Examining Boards.  
3 2. Repealed by Session Laws 1997-399, s. 5.  
4 3. ~~Laws~~ Examination of the laws of North Carolina Carolina, the  
5 standards set forth in Funeral Industry Practices, 16 C.F.R. §  
6 453 (1984), pursuant to its most recent version, and rules of the  
7 Board and other agencies dealing with the care, transportation  
8 and disposition of dead human bodies.  
9 4. Examination of pathology.  
10 f. Has paid all applicable fees.  
11 (2) To be licensed for the practice of embalming under this Article, ~~a person~~  
12 ~~must~~ an applicant for licensure bears the burden of substantiating to the  
13 satisfaction of the Board that the applicant:  
14 a. ~~Be~~ Is at least 18 years of age.  
15 b. ~~Be~~ Is of good moral character.  
16 c. ~~Be a graduate of a~~ Possesses an associate degree in mortuary science  
17 college science, or the equivalent, from a mortuary science program  
18 approved by the ~~Board~~ Board and accredited by the American Board  
19 of Funeral Service Education.  
20 d. ~~Have~~ Within the last three years, has completed 12 months of resident  
21 traineeship as an embalmer pursuant to the procedures and conditions  
22 set out in G.S. 90-210.25(a)(4), either before or after satisfying the  
23 educational requirement under sub-subdivision c. of this subdivision.  
24 e. ~~Have~~ Within the past three years, has passed an oral or written  
25 embalmer examination on the following subjects:  
26 1. Embalming, restorative arts, chemistry, pathology,  
27 microbiology, and anatomy.  
28 2. Repealed by Session Laws 1997-399, s. 6.  
29 3. ~~Laws~~ Examination of the laws of North Carolina Carolina, the  
30 standards set forth in Funeral Industry Practices, 16 C.F.R. §  
31 453 (1984), pursuant to its most recent version, and rules of the  
32 Board and other agencies dealing with the care, transportation  
33 and disposition of dead human bodies.  
34 f. Has paid all applicable fees.  
35 (3) To be licensed for the practice of funeral service under this Article, ~~a person~~  
36 ~~must~~ an applicant for licensure bears the burden of substantiating to the  
37 satisfaction of the Board that the applicant:  
38 a. ~~Be~~ Is at least 18 years of age.  
39 b. ~~Be~~ Is of good moral character.  
40 c. ~~Be a graduate of and receive~~ Possesses an associate degree from a  
41 mortuary science college approved by the Board or a school of in  
42 mortuary science, or the equivalent, from a mortuary science program  
43 approved by the Board and accredited by the American Board of  
44 Funeral Service Education. ~~Have completed a minimum of 60~~  
45 ~~semester hours or 90 quarter hours of instruction, including the~~  
46 ~~subjects set out in sub-part e.1. of this subdivision, as prescribed by a~~  
47 ~~mortuary science college approved by the Board or a school of~~  
48 ~~mortuary science accredited by the American Board of Funeral Service~~  
49 ~~Education.~~  
50 d. ~~Have~~ Within the last three years, has completed 12 months of resident  
51 traineeship as a funeral service licensee, pursuant to the procedures

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- and conditions set out in G.S. 90-210.25(a)(4), either before or after satisfying the educational requirement under sub-subdivision c. of this subdivision.
- e. ~~Have~~ Within the last three years, has passed an oral or written funeral service examination on the following subjects:
  1. ~~Psychology, sociology, funeral directing, business law, funeral law, funeral management, and accounting.~~ Entry-level examination in funeral directing administered by The International Conference of Funeral Service Examining Boards.
  2. Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy.
  3. Repealed by Session Laws 1997-399, s. 7.
  4. ~~Laws~~ Examination of the laws of North Carolina ~~Carolina, the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), pursuant to its most recent version, and rules of the Board and other agencies dealing with the care, transportation and disposition of dead human bodies.~~

f. Has paid all applicable fees.

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

...

d. A certificate of resident traineeship shall be signed by the resident trainee and upon payment of the renewal fee shall be renewable one year after the date of original registration; but the certificate may not be renewed more than two times. The Board shall mail to each registered trainee at ~~his~~ the trainee's last known residential address or e-mail address a notice that the renewal fee is due and that, if not paid within 30 days of the notice, the certificate will be canceled. A late fee, in addition to the renewal fee, shall be charged for a late renewal, ~~but~~ except that the renewal of the registration of any resident trainee who is engaged in active service in the Armed Forces of the United States

1 at the time renewal is due may, at the discretion of the Board, be held  
2 in abeyance for the duration of that service without penalties, shall not  
3 be charged a late fee. No credit shall be allowed for the 12-month  
4 period of resident traineeship that shall have been completed more  
5 than five years preceding the examination for a license. However, any  
6 resident trainee to whom G.S. 105-249.2 grants an extension of time  
7 to file a tax return shall be allowed an extension of time to retain credit  
8 equal to the number of days of active deployment.

9 e. All registered resident trainees shall electronically report to the Board  
10 at least once every month during traineeship upon forms provided by  
11 the Board listing the work which has been completed during the  
12 preceding month of resident traineeship. The Board may set and  
13 collect a late fee not to exceed fifty dollars (\$50.00) for each work  
14 report filed after the date the report is due. The data contained in the  
15 reports shall be certified as correct by the licensee under whom the  
16 trainee has served during the period and by the licensed person who is  
17 managing the funeral service establishment. Each report shall list the  
18 following:

19 ...

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

- 24 1. That the funeral director trainee has, under ~~supervision,~~ the  
25 supervision of the licensed individual, registered as the  
26 trainee's supervisor, substantially assisted in directing at least  
27 25 funerals during the resident traineeship,
- 28 2. That the embalmer trainee has, under ~~supervision,~~ the  
29 supervision of the licensed individual, registered as the  
30 trainee's supervisor, substantially assisted in embalming at  
31 least 25 bodies during the resident traineeship,
- 32 3. That the funeral service trainee has, under ~~supervision,~~ the  
33 supervision of the licensed individual, registered as the  
34 trainee's supervisor, substantially assisted in directing at least  
35 25 funerals and, under ~~supervision,~~ the supervision of the  
36 licensed individual, registered as the trainee's supervisor,  
37 substantially assisted in embalming at least 25 bodies during  
38 the resident traineeship.

39 g. The Board may ~~suspend or revoke~~ suspend, revoke, or refuse to issue  
40 or renew a certificate of resident traineeship for violation of any  
41 provision of this ~~Article.~~ Article or place a trainee on probation for any  
42 violation of this Article or rules adopted by the Board. The Board may  
43 determine the length of any suspension, revocation, refusal to issue or  
44 renew, or probation and impose conditions on probation and  
45 reinstatement as the Board deems appropriate.

46 h. Each ~~sponsor-registered supervisor~~ for a ~~registered~~-resident trainee  
47 must during the period of sponsorship be actively employed with a  
48 funeral establishment. The traineeship shall be a primary vocation of  
49 the trainee.

- 1 i. Only one resident trainee may register and serve at any one time under
- 2 any one person licensed and registered as a resident trainee supervisor
- 3 under this Article.
- 4 j., k. Repealed by Session Laws 1991, c. 528, s. 4.
- 5 l. ~~The Board shall register no more than one resident trainee at a funeral~~
- 6 ~~establishment that served 100 or fewer families during the 12 months~~
- 7 ~~immediately preceding the date of the application, and shall register~~
- 8 ~~no more than one resident trainee for each additional 100 families~~
- 9 ~~served at the funeral establishment during the 12 months immediately~~
- 10 ~~preceding the date of the application.~~ Any resident trainee or registered
- 11 supervisor of a resident trainee shall meet with the Board upon request.
- 12 (5) The Board by regulation may recognize other examinations that the Board
- 13 deems equivalent to its own. After an applicant fails to obtain a passing score
- 14 on an examination two consecutive times, the applicant must wait at least 60
- 15 days to retake the examination.
- 16 ...
- 17 b. The holder of any license issued by the Board who shall fail to renew
- 18 the same on or before February 1 of the calendar year for which the
- 19 license is to be renewed shall have forfeited and surrendered the
- 20 license as of that date. No license forfeited or surrendered pursuant to
- 21 the preceding sentence shall be reinstated by the Board unless it is
- 22 shown to the Board that the applicant has, throughout the period of
- 23 forfeiture, engaged full time in another state of the United States or the
- 24 District of Columbia in the practice to which the applicant's North
- 25 Carolina license applies and has completed for each such year
- 26 continuing education substantially equivalent in the opinion of the
- 27 Board to that required of North Carolina licensees; or has completed
- 28 in North Carolina a total number of hours of accredited continuing
- 29 education computed by multiplying five times the number of years of
- 30 forfeiture; or has passed the North Carolina examination for the
- 31 forfeited license. No additional resident traineeship shall be required.
- 32 The applicant shall be required to pay all delinquent annual renewal
- 33 fees and a reinstatement fee. The Board may waive the provisions of
- 34 this section for an applicant for a forfeiture which occurred during the
- 35 applicant's service in the Armed Forces of the United States provided
- 36 the applicant applies within six months following severance
- 37 therefrom.
- 38 c. All licensees now or hereafter licensed in North Carolina shall take
- 39 continuing education courses approved by the Board in subjects
- 40 relating to the practice of the profession for which they are licensed,
- 41 to the end that the benefits of learning and reviewing skills will be
- 42 utilized and applied to assure proper service to the public.
- 43 d. As a prerequisite to the annual renewal of a license, the licensee must
- 44 complete, during the year immediately preceding renewal, at least five
- 45 hours of continuing education courses, of which the Board may require
- 46 licensees to take up to two hours specified by the Board. All continuing
- 47 education courses must be approved by the Board prior to enrollment.
- 48 A licensee who completes more than five hours in a year may carry
- 49 over a maximum of five hours as a credit to the following year's
- 50 requirement. ~~A licensee who is issued an initial license on or after July~~

~~1 does not have to satisfy the continuing education requirement for that~~  
~~2 year; the calendar year in which the license was first obtained.~~

3 ...  
 4 h. The Department of Public Safety may provide a criminal record check  
 5 to the Board for a person who has applied for a new or renewal license,  
 6 or certification through the Board. The Board shall provide to the  
 7 Department of Public Safety, along with the request, the fingerprints  
 8 of the applicant, any additional information required by the  
 9 Department of Public Safety, and a form signed by the applicant  
 10 consenting to the check of the criminal record and to the use of the  
 11 fingerprints and other identifying information required by the State or  
 12 national repositories. The applicant's fingerprints shall be forwarded  
 13 to the State Bureau of Investigation for a search of the State's criminal  
 14 history record file, and the State Bureau of Investigation shall forward  
 15 a set of the fingerprints to the Federal Bureau of Investigation for a  
 16 national criminal history check. The Board shall keep all information  
 17 pursuant to this subdivision privileged, in accordance with applicable  
 18 State law and federal guidelines, and the information shall be  
 19 confidential and shall not be a public record under Chapter 132 of the  
 20 General Statutes.

21 The Department of Public Safety may charge each applicant a fee  
 22 for conducting the checks of criminal history records authorized by  
 23 this subdivision.  
 24

25 ...  
 26 (a2) In order to engage in the practice of funeral directing or funeral service, such a  
 27 licensee must own, be employed by, or otherwise be an agent of a licensed funeral establishment;  
 28 except that such a licensee may practice funeral directing or funeral service ~~if~~ if any of the  
following apply:

- 29 (1) ~~Employed~~ The licensee is employed by a college of mortuary ~~science;~~  
 30 ~~or science.~~
- 31 (2) ~~The licensee;~~ licensee does all of the following:
  - 32 a. Maintains all of ~~his or her~~ the licensee's business records at a location  
 33 made known to the Board and available for inspection by the Board  
 34 under the same terms and conditions as the business records of a  
 35 licensed funeral ~~establishment;~~ establishment.
  - 36 b. Complies with rules and regulations imposed on funeral  
 37 establishments and the funeral profession that are designed to protect  
 38 consumers, to include, but not be limited to, the Federal Trade  
 39 Commission's laws and rules requiring General Price Lists and  
 40 Statements of Goods and ~~Services;~~ and Services.
  - 41 c. Pays to the Board the funeral establishment license fee required by law  
 42 and set by the Board.
  - 43 d. Obtains and maintains a professional liability insurance policy with  
 44 liability limits of at least one million dollars (\$1,000,000). Certificates  
 45 of professional liability insurance shall be (i) submitted to the Board  
 46 within 30 days of the initial registration of the licensee by the Board  
 47 and (ii) submitted to the Board upon request. The licensee shall notify  
 48 the Board in writing within 30 days of any change in the insurer or any  
 49 cancellation or suspension of policy.

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

1 (b) Persons Licensed under the Laws of Other Jurisdictions. –

2 (1) ~~The Board shall grant licenses to funeral directors, embalmers and funeral~~  
3 ~~service licensees, licensed in other states, territories, the District of Columbia,~~  
4 ~~and foreign countries, jurisdictions, when it is shown that the applicant holds~~  
5 ~~a valid license as a funeral director, embalmer or funeral service licensee~~  
6 ~~issued by the other jurisdiction, has demonstrated knowledge of the laws and~~  
7 ~~rules governing the profession in North Carolina and has submitted proof of~~  
8 ~~his good moral character; and either that the applicant has continuously~~  
9 ~~practiced the profession in the other jurisdiction for at least three years~~  
10 ~~immediately preceding his application, or the Board has determined that the~~  
11 ~~licensing requirements for the other jurisdiction are substantially similar to~~  
12 ~~those of North Carolina.~~ has satisfied all of the following:

13 a. The applicant holds an active, valid license in good standing as a  
14 funeral director, embalmer, or funeral service licensee issued by a  
15 jurisdiction that will reciprocate a North Carolina license to practice  
16 as a funeral director, embalmer, or funeral service licensee. The  
17 license, at the time it was issued by the other jurisdiction, must have  
18 had equal or greater education, training, and examination  
19 requirements.

20 b. The applicant has demonstrated knowledge of the laws and rules  
21 governing the profession in North Carolina through achieving a  
22 passing score on the laws and rules exam administered on behalf of  
23 the Board.

24 c. The applicant has submitted proof of the applicant's good moral  
25 character.

26 d. The applicant has practiced in the profession for at least three years in  
27 a jurisdiction that will reciprocate a North Carolina license to practice  
28 as a funeral director, embalmer, or funeral service licensee.

29 Nothing in this subdivision shall preclude any individual from obtaining a  
30 license by meeting the requirements of subdivision (1), (2), or (3) of  
31 subsection (a) of this section.

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

35 ...

36 (c) Registration, Filing and Transportation. –

37 ...

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

40 ...

41 f. Obtain and maintain a professional liability insurance policy with  
42 liability limits of at least five hundred thousand dollars (\$500,000).  
43 Certificates of professional liability insurance shall be (i) submitted to  
44 the Board within 30 days of the initial registration of the transporter  
45 by the Board and (ii) submitted to the Board annually as a condition  
46 for renewal of each transport permit. The transporter shall notify the  
47 Board in writing within 30 days of any change in the insurer or any  
48 cancellation or suspension of the policy. Individuals covered by an  
49 employer's professional liability insurance policy shall provide  
50 evidence satisfactory to the Board that the policy covers that individual  
51 and meets the criteria provided in this sub-subdivision.

1 (8) The permit issued under this section shall expire on December 31 of each year.  
2 The application fee for the individual permit shall not exceed one hundred  
3 twenty-five dollars (\$125.00). A fee, not to exceed one hundred dollars  
4 (\$100.00), in addition to the renewal fee not to exceed seventy-five dollars  
5 (\$75.00), shall be charged for any application for renewal received by the  
6 Board after February 1 of each year.

7 ...  
8 (10) The Board may adopt rules under this section including permit application  
9 procedures and the proper procedures for the removal, handling, and  
10 transportation of dead human bodies. The Board shall consult with the Office  
11 of the Chief Medical Examiner before initiating rule making under this section  
12 and before adopting any rules pursuant to this section. Nothing in this section  
13 prohibits the Office of the Chief Medical Examiner from adopting policies  
14 and procedures regarding the removal, transportation, or handling of a dead  
15 human body under the jurisdiction of that office that are more stringent than  
16 the laws in this section or any rules adopted under this section. ~~Any violation  
17 of this section or rules adopted under this section may be punished by the  
18 Board by a suspension or revocation of the permit to transport or remove dead  
19 human bodies or by a term of probation. The Board may, in lieu of any  
20 disciplinary measure, accept a penalty not to exceed five thousand dollars  
21 (\$5,000) per violation.~~

22 ...  
23 (14) The Board may suspend, revoke, or refuse to issue or renew the permit, place  
24 the permittee on a term of probation, or impose a civil penalty not to exceed  
25 five thousand dollars (\$5,000) in conjunction with a term of probation or in  
26 lieu of other disciplinary action when it finds that any person permitted to  
27 transport dead human bodies has engaged in any of the following acts:  
28 a. Conviction of a felony or a crime involving fraud or moral turpitude.  
29 b. Denial, suspension, or revocation of an occupational or business  
30 license by another jurisdiction.  
31 c. Fraud or misrepresentation in obtaining or renewing a permit.  
32 d. False or misleading advertising as the holder of a permit.  
33 e. Solicitation of dead human bodies by the permittee or the permittee's  
34 agents, assistants, or employees. However, this sub-subdivision shall  
35 not be construed to prohibit general advertising.  
36 f. Gross immorality, including being under the influence of alcohol or  
37 drugs while handling or transporting dead human bodies.  
38 g. Failing to treat a dead human body with respect at all times.  
39 h. Violating or cooperating with others to violate any of the provisions  
40 of this Article, any rules and regulations of the Board, or any State law  
41 or municipal or county ordinance or regulation affecting the handling,  
42 custody, care, or transport of dead human bodies.  
43 i. Refusing to surrender promptly the custody of a dead human body  
44 upon the express order of the person lawfully entitled to custody of the  
45 body.  
46 j. Indecent exposure or exhibition of a dead human body while in a  
47 permittee's custody or control.  
48 k. Practicing funeral directing, funeral service, or embalming without a  
49 license.



The Board shall have the authority to determine the length and conditions of any period of revocation, suspension, refusal to issue or renew, or probation.

(d) Establishment Permit. –

(3) Applications for funeral establishment permits shall be made on forms provided by the Board and filed with the Board by the owner, a partner, a member of the limited liability company, or an officer of the corporation by January 1 of each year, and shall be accompanied by the application fee or renewal fee, as the case may be. All permits shall expire on December 31 of each year. If the renewal application and renewal fee are not received in the Board's office on or before February 1, a late renewal fee, in addition to the regular renewal fee, shall be charged.

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

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

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

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

b. Fraud or misrepresentation in obtaining or renewing a license or in the practice of funeral service, service or operation of a licensee's business.

1 j. Violating or cooperating with others to violate any of the provisions  
 2 of this Article or Articles 13D, 13E, or 13F of ~~Chapter 90 of the~~  
 3 ~~General Statutes, this Chapter,~~ any rules and regulations of the Board,  
 4 or the standards set forth in Funeral Industry Practices, 16 C.F.R. 453  
 5 (1984), as amended from time to time.

6 ...

7 o. Failure to refund any insurance proceeds received as consideration in  
 8 excess of the funeral contract purchase price within 30 days of receipt;  
 9 provided, however, that this provision shall not be construed to include  
 10 interest or growth on funds paid toward funeral goods and services to  
 11 be provided pursuant to an inflation-proof preneed contract.

12 p. Failure to provide, within a reasonable time, either the goods and  
 13 services contracted for or a refund for the price of goods and services  
 14 paid for but not fulfilled.

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

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

20 (2) Where the Board finds that a licensee is guilty of one or more of the acts or  
 21 omissions listed in subdivision (e)(1) of this section but it is determined by the  
 22 Board that the licensee has not thereby become unfit to practice, the Board  
 23 may place the licensee on a term of probation in accordance with the  
 24 procedures set out in Chapter 150B of the General Statutes. In any case in  
 25 which the Board is entitled to place a licensee on a term of probation, the  
 26 Board may also impose a penalty of not more than five thousand dollars  
 27 (\$5,000) in conjunction with the probation. The Board may also require  
 28 satisfactory completion of remedial or educational training as a prerequisite to  
 29 license reinstatement or for completing the term of probation. The Board shall  
 30 have the authority to determine the length and conditions of any period of  
 31 suspension, revocation, probation, or refusal to issue or renew a license.

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

37 No funeral ~~service~~ establishment shall accept a dead human body from any public officer  
 38 (excluding the State or county medical examiner or his agent), or employee or from the official  
 39 of any institution, hospital or nursing home, or from a physician or any person having a  
 40 professional relationship with a decedent, without having first made due inquiry as to the desires  
 41 of the persons who have the legal authority to direct the disposition of the decedent's body. If any  
 42 persons are found, their authority and directions shall govern the disposal of the remains of the  
 43 decedent. Any funeral service establishment receiving the remains in violation of this subsection  
 44 shall make no charge for any service in connection with the remains prior to delivery of the  
 45 remains as stipulated by the persons having legal authority to direct the disposition of the body.  
 46 This section shall not prevent any funeral service establishment from charging and being  
 47 reimbursed for services rendered in connection with the removal of the remains of any deceased  
 48 person in case of accidental or violent death, and rendering necessary professional services  
 49 required until the persons having legal authority to direct the disposition of the body have been  
 50 notified.

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

8 At the time funeral arrangements are made and prior to the time of rendering the service and  
9 providing the merchandise, a funeral director or funeral service licensee shall give or cause to be  
10 given to the person or persons making such arrangements a written statement duly signed by a  
11 licensee of said funeral establishment showing the price of the service as selected and what  
12 services are included therein, the price of each of the supplemental items of services or  
13 merchandise requested, and the amounts involved for each of the items for which the funeral  
14 establishment will advance moneys as an accommodation to the person making arrangements,  
15 insofar as any of the above items can be specified at that time. If fees charged by a finance  
16 company for expediting payment of life insurance proceeds to the establishment will be passed  
17 on to the person or persons responsible for payment of the funeral expenses, information  
18 regarding the fees, including the total dollar amount of the fee, shall be disclosed in writing. The  
19 statement shall have printed, typed or stamped on the face thereof: "This statement of disclosure  
20 is provided under the requirements of North Carolina G.S. 90-210.25(e)." The Board may  
21 prescribe other disclosures that a licensee shall give to consumers upon finding that the disclosure  
22 is necessary to protect public health, safety, and welfare.

23 ...

24 (f) Unlawful Practices. – If any The following shall constitute unlawful practices:

25 (1) Any person shall practice or hold himself or herself who practices or holds  
26 himself or herself out as practicing the profession or art of embalming, funeral  
27 directing or practice of funeral service or operating a funeral establishment  
28 without having complied with the provisions of this Article, the person Article  
29 shall be guilty of a Class 2 misdemeanor.

30 (2) Any person who knowingly or willfully abuses or mutilates a dead human  
31 body in a person's custody shall be guilty of a Class 2 misdemeanor. It shall  
32 not be a violation of this subdivision for a person licensed to practice  
33 embalming or funeral service under this Article to embalm a dead human body  
34 consistent with techniques of embalming generally recognized by embalming  
35 or funeral service licensees under this Article or for a person licensed to  
36 practice funeral directing or funeral service to exhibit a dead human body  
37 consistent with lawful instructions from the person authorized to dispose of  
38 the dead human body.

39 ...."

40 **SECTION 2.** G.S. 90-210.27A reads as rewritten:

41 "**§ 90-210.27A. Funeral establishments.**

42 ...

43 (a1) If the preparation room of a funeral establishment is damaged or destroyed by fire,  
44 weather, or other natural disaster, the Board may suspend the requirements of subsection (a) of  
45 this section, in part or whole, for a period not to exceed 180 days, provided that the funeral  
46 establishment remains in compliance with the requirements of G.S. 90-210.25(d1) and all other  
47 laws, rules, regulations, and requirements of the Division of Health Services and of the  
48 municipality or county where the funeral establishment is located. To receive a suspension of  
49 more than 90 days, the applicant must show good cause for additional time.

50 ...

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

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

**SECTION 3.** G.S. 90-210.28 reads as rewritten:

**"§ 90-210.28. Fees.**

The Board may set and collect fees, not to exceed the following amounts:

Establishment permit	
Application .....	\$400.00
Annual renewal .....	250.00
Late renewal .....	150.00
Establishment and embalming facility reinspection fee .....	<del>100.00</del> 150.00
Courtesy card	
Application .....	100.00
Annual renewal .....	75.00
Out-of-state licensee	
Application .....	250.00
Embalmer, funeral director, funeral service	
Application-North	
Carolina-Resident .....	200.00
-Non-Resident .....	250.00
Annual Renewal-embalmer or	
funeral director .....	75.00
Total fee, embalmer and funeral director	
when both are held by the same person .....	100.00
-funeral service .....	100.00
Inactive Status .....	50.00
Reinstatement fee .....	50.00
Resident trainee permit	
Application .....	50.00
Voluntary change in supervisor .....	50.00
Annual renewal .....	35.00
Late renewal .....	25.00
Duplicate license certificate .....	25.00
Chapel registration	
Application .....	150.00
Annual renewal .....	100.00
Late renewal .....	75.00

The Board shall provide, without charge, one copy of the current statutes and regulations relating to Funeral Service to every person applying for and paying the appropriate fees for licensing pursuant to this Article. The Board may charge all others requesting copies of the current statutes and regulations, and the licensees or applicants requesting additional copies, a fee equal to the costs of production and distribution of the requested documents."

**SECTION 4.** G.S. 90-210.29B reads as rewritten:

**"§ 90-210.29B. ~~Examination scores not~~ Exemptions from public record records.**

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

1        (b) Records, papers, and other documents containing information collected or compiled  
 2 by or on behalf of the Board as a result of a complaint, investigation, audit, disciplinary matter,  
 3 or interview in connection with a licensee, permittee, or registrant, or any application for a  
 4 license, permit, or registration, shall not be considered public records within the meaning of  
 5 Chapter 132 of the General Statutes. Any notice of hearing or decision rendered in connection  
 6 with a hearing shall be a public record subject to inspection."

7            **SECTION 6.(a)** G.S. 90-210.63(a) reads as rewritten:

8        **"§ 90-210.63. Substitution of licensee.**

9        (a) If the preneed funeral contract is irrevocable, the preneed funeral contract purchaser,  
 10 or after his death the preneed funeral contract beneficiary or his legal representative, upon written  
 11 notice to the financial institution or insurance company and the preneed licensee who is a party  
 12 to the preneed funeral contract, may direct the substitution of a different funeral establishment to  
 13 furnish funeral services and merchandise.

14        ...

15        ~~(2) The original contracting preneed licensee shall immediately pay all funds~~  
 16 ~~received to the successor funeral establishment designated. Regardless of~~  
 17 ~~whether the substitution is made before or after the death of the preneed~~  
 18 ~~funeral contract beneficiary, the original contracting preneed licensee shall not~~  
 19 ~~be required to give credit for the amount retained pursuant to~~  
 20 ~~G.S. 90-210.61(a)(2), except when there was a substitution under~~  
 21 ~~G.S. 90-210.68(d1) and (e). Upon making payments pursuant to this~~  
 22 ~~subsection, the financial institution and the original contracting preneed~~  
 23 ~~licensee shall be relieved from all further contractual liability thereon.~~

24        ...."

25        **SECTION 6.(b)** The provision repealed in subsection (a) of this section shall  
 26 continue to apply to any preneed funeral contracts entered into before this act becomes law.

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

29        **"§ 90-210.63B. Cancellation of insurance preneed contracts by preneed licensee.**

30        A preneed licensee may cancel an insurance-funded preneed funeral contract by sending  
 31 written notice by first-class mail, postage prepaid, to the last known address of the preneed  
 32 funeral contract purchaser or, after the purchaser's death, the preneed contract beneficiary, or the  
 33 beneficiary's legal representative if all the following conditions apply:

- 34        (1) The preneed funeral contract beneficiary has not used the preneed funeral  
 35 contract to qualify for benefits from the Department of Health and Human  
 36 Services.  
 37        (2) One or more insurance policies used as consideration for the preneed contract  
 38 have lapsed or been revoked or cancelled by the preneed contract purchaser.  
 39        (3) The value of all insurance policies does not exceed five hundred dollars  
 40 (\$500.00)."

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

42        **"§ 90-210.64. Death of preneed funeral contract beneficiary; disposition of funds.**

43        ...

44        (d) When the balance of a preneed funeral fund is ~~one hundred dollars (\$100.00)~~ one  
 45 thousand dollars (\$1,000) or less and is payable to the estate of a deceased preneed funeral  
 46 contract beneficiary and there has been no representative of the estate appointed, the balance due  
 47 may be paid directly to a beneficiary or to the beneficiaries of the estate. If the balance of a  
 48 preneed funeral fund exceeds ~~one hundred dollars (\$100.00)~~ one thousand dollars (\$1,000) or is  
 49 not payable to the estate, the balance must be paid into the office of the clerk of superior court in  
 50 the county where probate proceedings could be filed for the deceased preneed funeral contract  
 51 beneficiary.

1       ...."

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

3       "**§ 90-210.66. Recovery fund.**

4       ...

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

11       ...."

12               **SECTION 10.** G.S. 90-210.67 reads as rewritten:

13       "**§ 90-210.67. Application for license.**

14       "(a) No person may offer or sell preneed funeral contracts or offer to make or make any  
15 funded funeral prearrangements without first securing a license from the Board. Notwithstanding  
16 any other provision of law, any person who offers to sell or sells a casket, to be furnished or  
17 delivered at a time determinable by the death of the person whose body is to be disposed of in  
18 the casket, shall first comply with the provisions of this Article. There shall be two types of  
19 licenses: a preneed funeral establishment license and a preneed sales license. Only funeral  
20 establishments holding a valid establishment permit pursuant to G.S. 90-210.25(d) shall be  
21 eligible for a preneed funeral establishment license. Employees and agents of such entities, upon  
22 meeting the qualifications to engage in preneed funeral planning as established by the Board,  
23 shall be eligible for a preneed sales license. The Board shall establish the preneed funeral  
24 planning activities that are permitted under a preneed sales license. The Board shall adopt rules  
25 establishing such qualifications and activities no later than 12 months following the ratification  
26 of this act [Session Laws 1991 (Reg. Sess., 1992), c. 901, s. 2]. ~~Preneed~~ A preneed sales  
27 ~~licensees~~ licensee may sell preneed funeral contracts, prearrangement insurance policies, and  
28 make funded funeral prearrangements only on behalf of one preneed funeral establishment  
29 licensee; provided, however, ~~they~~ the preneed sales licensee may sell preneed funeral contracts,  
30 prearrangement insurance policies, and make funeral prearrangements for any number of  
31 licensed preneed funeral establishments that are wholly owned by or affiliated with, through  
32 common ownership or contract, the same entity; provided further, in the event ~~they engage~~ the  
33 preneed sales licensee engages in selling prearrangement insurance policies, they shall meet the  
34 licensing requirements of the Commissioner of Insurance. Every preneed funeral contract shall  
35 be signed by a person licensed as a funeral director or funeral service licensee pursuant to Article  
36 13A of Chapter 90 of the General Statutes.

37       Application for a license shall be in writing, signed by the applicant and duly verified on  
38 forms furnished by the Board. Each application shall contain at least the following: the full names  
39 and addresses (both residence and place of business) of the applicant, and every partner, member,  
40 officer and director thereof if the applicant is a partnership, limited liability company, association,  
41 or corporation and any other information as the Board shall deem necessary. A preneed funeral  
42 establishment license shall be valid only at the address stated in the application or at a new  
43 address approved by the Board.

44       (b) An application for a preneed funeral establishment license shall be accompanied by a  
45 nonrefundable application fee of not more than four hundred dollars (\$400.00). The Board shall  
46 set the amounts of the application fees and renewal fees, by rule. ~~A funeral establishment~~  
47 ~~receiving a new preneed establishment license after January 1, 2008, or whose preneed~~  
48 ~~establishment license has lapsed or was terminated for any reason after January 1, 2008, shall~~  
49 ~~obtain a surety bond in an amount not less than fifty thousand dollars (\$50,000) for five years, or~~  
50 ~~upon demonstrating that it is solvent, no less than one year from the date the original license is~~

1 issued. ~~The Board may extend the bonding requirement in the event there is a claim paid from~~  
2 ~~the bond.~~

3 If the license is granted, the application fee shall be applied to the annual license fee for the  
4 first year or part thereof. Upon receipt of the application and payment of the application fee, the  
5 Board shall issue a renewable preneed funeral establishment license unless it determines that the  
6 applicant has violated any provision of G.S. 90-210.69(c) or has made false statements or  
7 representations in the application, or is insolvent, or has conducted or is about to conduct, its  
8 business in a fraudulent manner, or is not duly authorized to transact business in this State. The  
9 license shall expire on December 31 and each preneed funeral establishment licensee shall pay  
10 annually to the Board on or before that date a license renewal fee of not more than two hundred  
11 fifty dollars (\$250.00). ~~On or before the first day of February immediately following expiration,~~  
12 ~~a license may be renewed without paying a late fee. After that date, On or after February 1,~~ a  
13 license may be renewed by paying a late fee of not more than one hundred dollars (\$100.00) in  
14 addition to the annual renewal fee.

15 If, after January 1, 2008, a funeral establishment receiving a new preneed establishment  
16 license or if a preneed establishment license has lapsed or has been terminated for any reason,  
17 other than for failure to timely renew the license, the funeral establishment shall obtain a surety  
18 bond in an amount not less than fifty thousand dollars (\$50,000) for a period of at least two years;  
19 provided, however, that the Board, in its discretion, may require the term of the surety bond to  
20 be for five years. However, upon demonstrating to the satisfaction of the Board that the funeral  
21 establishment is solvent, the Board may reduce the bond term to a period of no less than one year  
22 from the date the original license is issued. The funeral establishment may (i) purchase the bond  
23 from any company authorized by law to sell bonds in this State or (ii) deposit fifty thousand  
24 dollars (\$50,000) with the clerk of superior court in the county where the preneed funeral  
25 establishment maintains its facility that is licensed or has submitted an application for licensure  
26 to the Board. The Board may extend the bonding requirement in the event there is a claim paid  
27 from the bond.

28 (c) An application for a preneed sales license shall be accompanied by a nonrefundable  
29 application fee of not more than fifty dollars (\$50.00). The Board shall set the amounts of the  
30 application fees and renewal fees by rule, but the fees shall not exceed fifty dollars (\$50.00). If  
31 the license is granted, the application fee shall be applied to the annual license fee for the first  
32 year or part thereof. Upon receipt of the application and payment of the application fee, the Board  
33 shall issue a renewable preneed sales license provided the applicant has met the qualifications to  
34 engage in preneed funeral planning as established by the Board unless it determines that the  
35 applicant has violated any provision of G.S. 90-210.69(c). The license shall expire on December  
36 31 and each preneed sales licensee shall pay annually to the Board on or before that date a license  
37 renewal fee of not more than fifty dollars (\$50.00). ~~On or before the first day of February, a~~  
38 ~~license may be renewed without paying a late fee. After that date, after February 1,~~ a license may  
39 be renewed by paying a late fee of not more than twenty-five dollars (\$25.00) in addition to the  
40 annual renewal fee.

41 ...

42 (d1) The Board may also set and collect a fee of not more than twenty-five dollars (\$25.00)  
43 for the late filing of a certificate of performance and a fee of not more than one hundred and fifty  
44 dollars (\$150.00) for the late filing of an annual report.

45 ...."

46 **SECTION 11.** G.S. 90-210.68 reads as rewritten:

47 **"§ 90-210.68. Licensee's books and records; notice of transfers, assignments and**  
48 **terminations.**

49 (a) Every preneed licensee shall keep for examination by the Board accurate accounts,  
50 books, and records in this State of all preneed funeral contract and prearrangement insurance  
51 policy ~~transactions,~~ transactions used to fund preneed funeral contracts, copies of all agreements,

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

17 (a1) On or before March 31, each preneed licensee shall prepare and submit an annual  
 18 report on its preneed funeral contract sales and submit the report to the Board in a manner and  
 19 form prescribed by the Board.

20 ...

21 (c) If any preneed licensee transfers or assigns its assets or stock to a successor funeral  
 22 establishment or terminates its business as a funeral establishment, the preneed licensee and  
 23 assignee shall notify the Board at least ~~15~~-30 days prior to the effective date of the transfer,  
 24 assignment or termination: provided, however, the successor funeral establishment must be a  
 25 preneed licensee or shall be required to apply for and be granted such license by the Board before  
 26 accepting any preneed funeral contracts, whether funded by trust deposits or preneed insurance  
 27 policies. Provided further, a successor funeral establishment shall be liable to the preneed funeral  
 28 contract purchasers for the amount of contract payments retained by the assigning or transferring  
 29 funeral home pursuant to G.S. 90-210.61(a)(2).

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

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

39 ...."

40 **SECTION 12.** G.S. 90-210.69 reads as rewritten:

41 "**§ 90-210.69. Rulemaking; enforcement of Article; judicial review; determination of**  
 42 **penalty amount.**

43 ...

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

49 ...

50 (4) Fraud or misrepresentation in obtaining or receiving a license ~~or~~ in preneed  
 51 funeral ~~planning~~-planning or in the operation of a licensee's business.



1 ...  
2 In any case in which the Board is authorized to take any of the actions permitted under this  
3 subsection, the Board may instead accept an offer in compromise of the charges whereby the  
4 accused shall pay to the Board a penalty of not more than five thousand dollars (\$5,000). In any  
5 case in which the Board is entitled to place a licensee on a term of probation, the Board may also  
6 impose a penalty of not more than five thousand dollars (\$5,000) in conjunction with such  
7 probation. The Board may determine the length and conditions of any period of probation,  
8 revocation, suspension, or refusal to issue or renew a license.

9 ...."

10 **SECTION 13.** G.S. 90-210.73 reads as rewritten:

11 "**§ 90-210.73. Not public record.**

12 The following records or documents shall not be subject to the provisions of Chapter 132 of  
13 the General Statutes:

14 (1) The names and addresses of the purchasers and beneficiaries of preneed  
15 funeral contracts filed with the Board shall not be subject to Chapter 132 of  
16 the General Statutes. Board.

17 (2) All financial information used to demonstrate solvency in connection with a  
18 bond required under G.S. 90-210.67."

19 **SECTION 14.** G.S. 90-210.123 reads as rewritten:

20 "**§ 90-210.123. Licensing and inspection.**

21 ...

22 (d) Every application for licensure shall identify the crematory manager and specify the  
23 manager's funeral directing or funeral service license number, and all crematory technicians  
24 employed by the crematory licensee providing that nothing in this Article shall prohibit the  
25 designation and identification by the crematory licensee of one individual to serve as a crematory  
26 manager and crematory technician. Each crematory licensed in North Carolina shall employ on  
27 a full-time basis at least one crematory technician. Every application for licensure and renewal  
28 thereof shall include all crematory technicians' educational certificates. The crematory licensee  
29 shall keep the Board informed at all times of the names and addresses of the crematory manager  
30 and all crematory technicians. In the event a licensee is in the process of replacing its only  
31 crematory technician at the time of license renewal, the licensee may continue to operate the  
32 crematory for a reasonable time period not to exceed 180 days.

33 (e) All licenses and permits shall expire on the last day of December of each year. ~~A On~~  
34 ~~or after February 1, a license or permit may be renewed without paying a late fee on or before~~  
35 ~~the first day of February immediately following expiration. After that date, a license or permit~~  
36 ~~may be renewed by paying a late fee as provided in G.S. 90-210.132 in addition to the annual~~  
37 renewal fee. Licenses and permits that remain expired six months or more require a new  
38 application for renewal. Licenses and permits are not transferable. A new application for a license  
39 or permit shall be made to the Board within 30 days following a change of ownership of more  
40 than fifty percent (50%) of the business.

41 ...

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

49 ...

1 (2) Fraud or misrepresentation in obtaining or renewing a ~~license or~~ license, in  
2 the practice of ~~eremation~~ cremation, or in the operation of a licensee's  
3 business.

4 ...

5 (10) Violating or cooperating with others to violate any of the provisions of this  
6 Article or of the rules of the ~~Board~~ Board or violation of Funeral Industry  
7 Practices, 16 C.F.R. § 453 (1984), as amended.

8 ...

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

11 In any case in which the Board is authorized to take any of the actions permitted under this  
12 subsection, the Board may instead accept an offer in compromise of the charges whereby the  
13 accused shall pay to the Board a penalty of not more than five thousand dollars (\$5,000).

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

22 (i) The Board may hold hearings in accordance with the provisions of this Article and  
23 Article 3A of Chapter 150B of the General Statutes. ~~The Board shall conduct any such hearing.~~  
24 ~~The Board shall constitute an "agency" under Article 3A of Chapter 150B of the General Statutes~~  
25 ~~with respect to proceedings initiated pursuant to this Article.~~ The Board is empowered to regulate  
26 and inspect crematories and crematory licensees and to enforce as provided by law the provisions  
27 of this Article and the rules adopted hereunder. Any crematory that, upon inspection, is found  
28 not to meet any of the requirements of this Article shall pay a reinspection fee to the Board for  
29 each additional inspection that is made to ascertain whether the deficiency or other violation has  
30 been corrected. The Board may obtain preliminary and final injunctions whenever a violation of  
31 this Article has occurred or threatens to occur.

32 In addition to the powers enumerated in Chapter 150B of the General Statutes, the Board  
33 shall have the power to administer oaths and issue subpoenas requiring the attendance of persons  
34 and the production of papers and records before the Board in any hearing, investigation, or  
35 proceeding conducted by it. Members of the Board's staff or the sheriff or other appropriate  
36 official of any county of this State shall serve all notices, subpoenas, and other papers given to  
37 them by the President of the Board for service in the same manner as process issued by any court  
38 of record. Any person who neglects or refuses to obey a subpoena issued by the Board shall be  
39 guilty of a Class 1 misdemeanor."

40 **SECTION 15.** G.S. 90-210.124 reads as rewritten:

41 "**§ 90-210.124. Authorizing agent.**

42 ...

43 (b) A person who does not exercise his or her right to dispose of the decedent's body  
44 under subdivision (a)(2) of this section within five days of notification or 10 days from date of  
45 death, whichever is earlier, shall be deemed to have waived his or her right to authorize  
46 disposition of the decedent's body or to contest disposition in accordance with this section.  
47 Pursuant to G.S. 130A-415(c) or (j), upon such a waiver, and upon the Commissioner of  
48 Anatomy declining or failing to request delivery of the dead body, the director of social services  
49 having the duty to dispose of the human remains shall become vested with all interests and rights  
50 to the dead body and shall authorize and arrange for disposition, including cremation.

51 ...."

1           **SECTION 16.** G.S. 90-210.125 reads as rewritten:

2   "**§ 90-210.125. Authorization to cremate.**

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

6       ...

7       (9) A representation that the human remains do not contain a pacemaker that is  
8           not approved for cremation by the pacemaker's manufacturer or proper  
9           regulating agency or any other material or implant that may be potentially  
10           hazardous to the person performing the cremation.

11       ...."

12           **SECTION 17.** G.S. 90-210.129 reads as rewritten:

13   "**§ 90-210.129. Cremation procedures.**

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

19       ...

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

23           (1) A death certificate from the other jurisdiction that meets the same content and  
24 signature requirements of subsection (a) of this section.

25           (2) Any document or certificate required to authorize cremation in the jurisdiction  
26 where the death occurred that is signed by a physician, medical examiner, or  
27 other authorized person and that contains all information required by  
28 subdivisions (1) through (9) of subsection (a) of this section.

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

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

43       ...

44       (h) The simultaneous cremation of the human remains of more than one person within  
45 the same cremation chamber is ~~forbidden~~ provided that the following human remains  
46 may be cremated simultaneously upon the express written direction of the authorized agent:

47           (1) The human remains of multiple fetuses from the same mother and the same  
48 birth.

49           (2) The human remains of multiple persons up to the age of one year old from the  
50 same mother and the same birth.

51       ...."

**SECTION 18.** G.S. 90-210.132(a) reads as rewritten:

"(a) ~~The By rule, the~~ Board may set and collect fees ~~not to exceed the following amounts~~ from crematory and hydrolysis licensees, crematory and hydrolysis manager permit holders, and ~~applicants:~~applicants not to exceed the following amounts:

- (1) Licensee application fee. .... \$400.00
- (2) Annual renewal fee. .... 150.00
- (3) Late renewal fee. .... 75.00
- (4) Reinspection fee. .... ~~100.00~~150.00
- (5) Per cremation or hydrolysis fee. .... 10.00
- (6) Late fee, per ~~cremation~~cremation or hydrolysis. .... 10.00
- (7) Late fee, cremation or hydrolysis report. .... 75.00 per month
- (8) Crematory or hydrolysis manager permit application fee. .... 150.00
- (9) Annual crematory or hydrolysis manager permit renewal fee. .... 40.00."

**SECTION 20.** Article 13F of Chapter 90 of the General Statutes is amended by adding a new section to read:

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

(a) The following definitions shall apply in this section:

- (1) Alkaline hydrolysis. – The technical process using water, heat, and other chemicals to destroy, dissolve, or reduce human remains to simpler or essential elements.
- (2) Hydrolysis container. – A container, other than a casket, designed to enclose human remains and made of suitable material to be easily destroyed during hydrolysis and to resist spillage and leakage. A hydrolysis container may be a cremation container or any other container that meets the requirements of this subdivision.
- (3) Hydrolysis licensee. – A person or entity licensed to hydrolyze human remains and perform hydrolysis.
- (4) Liquid waste. – Any liquid remaining after hydrolysis that does not contain any trace elements of human tissue.

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

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

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

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

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

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

1       (h) The Board shall promulgate rules necessary to effectuate the licensing of alkaline  
2 hydrolysis."

3       **SECTION 21.** G.S. 130A-415 reads as rewritten:

4       "**§ 130A-415. Unclaimed bodies; bodies claimed by the Lifeguardianship Council of the**  
5 **Association for Retarded Citizens of North Carolina; disposition.**

6       (a) Any person, other than a person licensed as a funeral director or funeral service  
7 licensee in this State, including officers, employees and agents of the State or of any unit of local  
8 government in the State, ~~undertakers doing business within the State,~~ hospitals, nursing homes  
9 or other institutions, having physical possession of a dead body shall make reasonable efforts to  
10 contact relatives of the deceased or other persons who may wish to claim the body for final  
11 disposition. If the body remains unclaimed for final ~~disposition for 10 days,~~ disposition, the  
12 person having possession shall notify the Commission of Anatomy. Upon request of the  
13 Commission of Anatomy, the person having possession shall deliver the dead body to the  
14 Commission of Anatomy at a time and place specified by the Commission of Anatomy or shall  
15 permit the Commission of Anatomy to take and remove the body.

16       (a1) A dead body shall be deemed unclaimed if either of the following conditions apply:

17       (1) No individual notifies the person in possession of the dead body within 10  
18 days of the date of death that the individual wishes to dispose of the dead body.

19       (2) All individuals who have expressed interest in arranging for disposition of the  
20 dead body have (i) ceased communicating with the person in possession of the  
21 dead body for five days, (ii) at least 10 days have passed from the date of  
22 death, and (iii) the person in possession of the dead body has used reasonable  
23 efforts to contact all individuals interested in arranging for final disposition.

24       ~~All~~ Unless the provisions of subsection (j) of this section apply, all dead bodies not  
25 claimed for final disposition within 10 days of the decedent's death may be received and delivered  
26 by the Commission of Anatomy pursuant to the authority contained in G.S. 130A-33.30 and this  
27 Part and in accordance with the rules of the Commission of Anatomy. Upon receipt of a body by  
28 the Commission of Anatomy all interests in and rights to the unclaimed dead body shall vest in  
29 the Commission of Anatomy. The recipient to which the Commission of Anatomy delivers the  
30 body shall pay all expenses for the embalming and delivery of the body, and for the reasonable  
31 expenses arising from efforts to notify relatives or others.

32       ~~(b1) The 10-day period~~ periods ~~referenced in subsections (a) and (b) subdivisions (1) and~~  
33 (2) of subsection (a1) of this section may be shortened by the county director of social services  
34 upon determination that a dead body will not be claimed for final disposition within the 10-day  
35 period.

36       ~~(c) Should~~ Unless the provisions of subsection (j) of this section apply, if the Commission  
37 of Anatomy ~~decline~~ declines to receive a dead body, the person with possession shall inform the  
38 director of social services of the county in which the body is located. ~~The that is responsible for~~  
39 the expense of the final disposition of the decedent. Upon notification, all interests in and rights  
40 to the abandoned dead body shall vest in the director of social services of that ~~county~~ county,  
41 who then shall arrange for prompt final disposition of the body, either by ~~exemation~~ cremation,  
42 hydrolysis, or burial.

43       (c1) Reasonable costs of disposition and of efforts made to notify relatives and others shall  
44 be considered funeral expenses and shall be paid in accordance with G.S. 28A-19-6 and  
45 G.S. 28A-19-8. If those expenses cannot be satisfied from the decedent's estate, they shall be  
46 borne by the decedent's county of residence. If the deceased is not a resident of this State, or if  
47 the county of residence is unknown, those expenses shall be borne by the county in which the  
48 death ~~occurred~~ occurred or, if the county of residence and death of the decedent are unknown,  
49 the county where the deceased was located.

50       ...

1       (j) Any funeral director or funeral service licensee doing business within the State having  
2 physical possession of a dead body shall make reasonable efforts to contact relatives of the  
3 deceased or other persons who may wish to claim the body for final disposition. If the body  
4 remains unclaimed for final disposition for 10 days, or if the right to authorize the type, method,  
5 place, and disposition, of the dead body is waived under G.S. 130A-420(b1) or  
6 G.S. 90-210.124(b), and if all persons who have expressed interest in arranging for the  
7 disposition for the dead body have ceased communication with the person in possession of the  
8 dead body for five days, the dead body shall be deemed abandoned. If the funeral director or  
9 funeral service licensee receives the dead body from a person or entity listed in subsection (a) of  
10 this section, the 10-day period shall run concurrently with any period imposed on that person or  
11 entity. Any person having possession of an abandoned dead body shall notify the Commission  
12 of Anatomy. Upon request of the Commission of Anatomy, the person having possession of the  
13 abandoned dead body shall deliver the abandoned dead body to the Commission of Anatomy at  
14 a time and place specified by the Commission of Anatomy or shall permit the Commission of  
15 Anatomy to take and remove the abandoned dead body.

16       (k) If the Commissioner of Anatomy fails to request delivery of the abandoned dead body  
17 within two days of receipt of the notification required by subsection (j) of this section, or if the  
18 Commissioner of Anatomy declines delivery of the abandoned dead body, the funeral director or  
19 funeral services licensee shall notify the director of social services of the county where the  
20 abandoned dead body is located. The notice to the director of social services shall contain a sworn  
21 statement that (i) the body is an abandoned dead body, (ii) reasonable efforts have been made to  
22 inform relatives and others of the death, and (iii) the Commission of Anatomy has failed to  
23 request or has declined delivery of the abandoned dead body. Upon receipt of the sworn  
24 statement, the director of social services shall arrange for final disposition of the abandoned dead  
25 body and all interests in and rights to the abandoned dead body shall vest in the director of social  
26 services, who shall then arrange for prompt final disposition of the abandoned dead body by  
27 cremation, hydrolysis, or burial. Upon payment by the director of social services for final  
28 disposition of the abandoned dead body, the director shall have a claim of reasonable funeral  
29 expenses which shall be paid in accordance with G.S. 28A-19-6 and G.S. 28A-19-8. If those  
30 expenses cannot be satisfied from the decedent's estate, they shall be borne by the decedent's  
31 county of residence. If the decedent is not a resident of this State, or if the county of residence is  
32 unknown, those expenses shall be borne by the county in which the death occurred, or if the  
33 county of residence and death of the decedent is unknown, the county where the deceased was  
34 located."

35           **SECTION 22.** G.S. 130A-420 reads as rewritten:

36       "**§ 130A-420. Authority to dispose of body or body parts.**

37       ...

38       (a2) Unless expressly prohibited by the order of appointment, a guardian of the person  
39 shall have the authority to direct the final disposition of the remains of the ward through the  
40 methods authorized in subdivision (1) of subsection (a) of this section if executed before the  
41 death of the ward.

42       ...

43       (b1) A person who does not exercise his or her right to dispose of the decedent's body  
44 under subsection (b) of this section within five days of notification or 10 days from the date of  
45 death, whichever is earlier, shall be deemed to have waived his or her right to authorize  
46 disposition of the decedent's body or contest disposition in accordance with this section. Under  
47 G.S. 130A-415(c) or (j), upon such a waiver, and upon the Commission of Anatomy declining  
48 or failing to request delivery of the abandoned dead body, the director of social services of the  
49 county in which the dead body is located shall become vested with all interests and rights to the  
50 dead body and shall authorize and arrange for disposition by cremation, hydrolysis, or burial.

1       (b2) Once the burial of an individual is completed under the provisions of this section, the  
2 method and location of disposition shall not be changed unless otherwise authorized by law or  
3 by a court order upon a showing of good cause.

4       ...."

5       **SECTION 23.** If any provision of this act or its application is held invalid, the  
6 invalidity does not affect other provisions or applications of this act that can be given effect  
7 without the invalid provisions or application, and, to this end, the provisions of this act are  
8 severable.

9       **SECTION 24.** Section 17 and Section 24 of this act are effective when they become  
10 law. G.S. 90-210.25(f)(2), as enacted by Section 1 of this act, becomes effective December 1,  
11 2018. The remainder of this act becomes effective October 1, 2018.