

Report Summarizing the Licensing Activities of the North Carolina Board of Funeral Service

Section 93B-2 of the General Statutes requires an annual financial report and a report of licensing activities be filed with the Secretary of State, the Attorney General and the Joint Legislative Administrative Procedure Oversight Committee. This report covers the Board's calendar/ fiscal period of January 1, 2017 to December 31, 2017.

1. **The address of the Board, and the names of its members and officers:** The North Carolina Board of Funeral Service is located at 1033 Wade Avenue, Suite 108, Raleigh, NC 27605. The current members and officers are:

Charles J. Graves
(December 31, 2019)
President
P.O. Box 824
Swannanoa, NC 28778

Valdus T. Lockhart
(December 31, 2017)
2525 McArthur Landing Cir., #102
Fayetteville, NC 28311

Matt P. Staton
(December 31, 2018)
Vice President
P.O. Box 248
Rockwell, NC 28138

Don Brown
(December 31, 2019)
497 Second Street
Ayden, NC 28513

Craig Olive (Senate)
(December 31, 2017)
Secretary
5278 US Hwy 70 Bus. W.
Clayton, NC 27520

Mark Blake
(December 31, 2019)
Brown-Wynne Funeral Home
300 St. Mary's Street
Raleigh, NC 27605

Joseph 'Steve' Herndon
(December 31, 2017)
227 East Main St.
Forest City, NC 28043

Michael C. Stone
(December 31, 2017)
P.O. Box 3725
Sanford, NC 27331

Chris Watson
(December 31, 2020)
P.O. Box 1085
Princeton, NC 27569

Note: Names of public members are in bold type. (Date) indicates term expiration.

- 1a. **The total number of licensees supervised by the Board:** As of December 31, 2017, there were 2,507 individuals with active licenses issued by the Board, including 1,659 funeral service licensees, 827 funeral director licensees, fourteen (14) funeral director and

embalmer licensees, and seven (7) embalmer licensees. There were 107 transporter permits. There were 751 at-need funeral establishment permits. There were thirty (30) chapel permits. There were 133 crematory permits. There were fourteen (14) unaffiliated licensees.

2. **The number of persons who applied to the Board for examination:** Pursuant to N.C. Gen. Stat. § 90-210.25(a)(1), a person seeking licensure as a funeral director in North Carolina must pass a funeral director examination on the following subjects: (i) Psychology, sociology, pathology, funeral directing, business law, funeral law, funeral management, and accounting; and (ii) Laws of North Carolina and rules of the Board and other agencies dealing with the care, transportation and disposition of dead human bodies.

Pursuant to N.C. Gen. Stat. § 90-210.25(a)(2), a person seeking licensure as an embalmer in North Carolina must pass an embalmer examination on the following subjects: (i) Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy; and (ii) Laws of North Carolina and rules of the Board and other agencies dealing with the care, transportation and disposition of dead human bodies.

Pursuant to N.C. Gen. Stat. § 90-210.25(a)(3), a person seeking licensure as a funeral service in North Carolina must pass a funeral service examination on the following subjects: (i) Psychology, sociology, funeral directing, business law, funeral law, funeral management, and accounting; (ii) Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy; and (iii) Laws of North Carolina and rules of the Board and other agencies dealing with the care, transportation and disposition of dead human bodies.

Pursuant to N.C. Gen. Stat. § 90-210.25(b)(1), a person who holds a valid license as a funeral director, embalmer or funeral service licensee issued by another jurisdiction must take an examination to demonstrate knowledge of the laws and rules governing the profession in North Carolina.

110 individuals applied to take the North Carolina Laws and Rules Examination in 2017. Forty-one (41) individuals applied to take the North Carolina Pathology Exam in 2017. Four (4) individuals applied to take the North Carolina State Board Examination for Science in 2017. Fifty-two (52) individuals applied to take the North Carolina State Board Examination for Arts in 2017. Individuals who choose to take the National Board Examinations for Arts and Science instead of the North Carolina State Board Examinations for Arts and Science do not apply to the Board to take said examinations.

3. **The number who were refused examination:** There were zero (0) candidates who applied to the Board to take examinations who were not permitted to do so.
4. **The number who took the examination:** Ninety-eight (98) individuals took the North Carolina Laws and Rules Examination in 2017. Thirty-five (35) individuals took the North Carolina Pathology Exam in 2017. Four (4) individuals took the North Carolina

- State Board Examination for Science in 2017. Fifty-two (52) took the North Carolina State Board Examination for Arts in 2017.
5. **The number to whom initial licenses were issued:** In 2017, eighty-two (82) initial licenses were issued to candidates for licensure as a funeral director, funeral service licensee, or an embalmer who passed the required examinations and completed all other statutory requirements for licensure. Of these eighty-two (82) licenses, fourteen (14) were licenses by reciprocity or comity.
 - 5a. **The number who failed the examination:** Nine (9) candidates who sat for the North Carolina Laws and Rules Examination in 2017 were unsuccessful in passing it in 2017. Sixteen (16) candidates who sat for the North Carolina Pathology Exam were unsuccessful in passing it in 2017. One (1) candidate who sat for the North Carolina State Board Exam for Science in 2017 was unsuccessful in passing it in 2017. Twenty-six (26) candidates who sat for the North Carolina State Board Exam for Arts in 2017 was unsuccessful in passing it in 2017.
 6. **The number who applied for license by reciprocity or comity:** Twenty-two (22) candidates applied for licensure by reciprocity or comity in 2017.
 7. **The number who were granted licenses by reciprocity or comity:** Of the twenty-two (22) candidates who applied for licensure by reciprocity or comity in 2017, fourteen (14) candidates were granted licenses by reciprocity or comity in 2017 (and between January 1, 2018 and April 4, 2018, another five (5) were granted licenses by reciprocity or comity).
 - 7a. **The number of official complaints received involving licensed and unlicensed activities:** During Fiscal Year ending December 31, 2017, the Board received one hundred thirty-five (135) complaints, eighty-six (86) of which were consumer complaints and forty-nine (49) of which were staff-generated.
 - 7b. **The number of disciplinary actions taken against licensees, or other actions taken against nonlicensees, including injunctive relief:** During Fiscal Year ending December 31, 2017, forty-one (41) disciplinary cases were adjudicated by the Board. These actions involved multiple types of licenses and permits (individual, preneed establishment, at need establishment, transport, etc.). In these forty-one (41) disciplinary cases, 104 types of disciplinary actions were imposed against the licenses and permits at issue, as further described in Paragraph No. 8 below.
 8. **The number of licenses suspended or revoked:** As allowed under the provisions of N.C. General Statutes §§ 90-210.25(e), 90-210.69(c), and 90-210.134, the Board may impose a variety of sanctions when it finds violations of Articles 13A, 13D, and/or 13F of the North Carolina General Statutes. In addition to license revocation or suspension, other allowable disciplinary actions include probation, civil penalties, or a combination of these. Generally, cases in which the Board imposes terms of probation included stayed license revocations or suspensions.

During Fiscal Year ending December 31, 2017, four (4) individual licenses or establishment permits were revoked; one (1) preliminary application denials were upheld; five (5) traineeship applications were conditionally approved pursuant to a probationary period; eight (8) individual licenses or establishment permits were voluntarily surrendered in lieu of revocation or suspension in a disciplinary proceeding; six (6) individual licenses or establishment permits were revoked, but said revocations were stayed pursuant to probationary periods; one (1) establishment permit was suspended, but said suspensions were stayed pursuant to a probationary period of one (1) year; one (1) preneed establishment permit and its ancillary preneed sales licenses were actively suspended for two (2) months, followed by a probationary period of ten (10) months; one (1) individual license was reinstated upon certain probationary terms; thirty-one (31) individual licenses or establishment permits were placed on probationary periods; thirteen (13) individual licensees were ordered to take continuing education pertaining to preneed funeral planning, death certificate filing, cremations, and/or the Federal Trade Commission Funeral Rule; two (2) licensees were referred to the local district attorney for potential criminal investigation and/or prosecution; six (6) licensees were ordered to pay reimbursable costs associated with prosecuting show cause hearings; and three (3) individual licensees were ordered to pay restitution for misappropriation of preneed funeral funds in the total aggregate amount of \$59,419.57. Twenty-four (24) civil penalties in amounts ranging from \$250.00 to \$3,500.00 were imposed.

9. **The number of licenses terminated for any reason other than failure to pay the required renewal fee:** Other than those licenses terminated through revocation or voluntary surrender, as described in Paragraph No. 8, eleven (11) individual licenses were terminated in 2017 due to the death of the licensee.
10. **The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the Board:** On February 9, 2017, the Board endorsed proposed draft legislation. House Bill 529, entitled Amend Funeral Laws as well as, Senate Bill 479 entitled Amend Funeral Laws were filed on March 29, 2017. These bills are identical in content relating to amending the laws pertaining to the practice of funeral service. The companion bills have technical and substantive adjustments from the Board's original endorsed version. On March 30, 2017, the Board voted to propose certain revisions to the companion bills, as filed; these revisions are set forth in Exhibit A to this Report. The bills remained in committee at the end of the 2017 long session.
11. **The substance of any anticipated change in rules adopted by the Board or the substance of any anticipated adoption of new rules by the Board:** On February 8, 2017, the Board submitted its initial G.S. 150B-21.3A Report for a periodic review of its rules, located in Chapter 34 of the North Carolina Administrative Code. The Board voted to make a final determination of its rules following the conclusion of the public comment period, and the Rules Review Commission reviewed and approved the Board's final rule designations at the RRC's June 2017 Commission meeting. The Board's deadline to complete its re-adoption of rules, pursuant to N.C. Gen. Stat. § 150B-21.3A(d)(2), is September 30, 2019.

The Board anticipates that it will repeal the following rules in 2018: 21 NCAC 34A .0122; 21 NCAC 34A .0127; 21 NCAC 34B .0120; 21 NCAC 34B .0208; 21 NCAC 34B .0211; 21 NCAC 34B .0510; 21 NCAC 34B .0610.

The Board also anticipates that it will engage in rule-making in 2018 to repeal any rules deemed unnecessary; to amend any rules deemed outdated or unclear; and to add rules to help clarify the Board's Practice Act. However, the substance of those changes are not yet known.

Part B: Receipts and Disbursements


The Board operates on a calendar fiscal year. On ^{April 27} 2018, Bernard Robinson & Company, LLP sent copies, via electronic correspondence of the Board's audited financial report that provides the information on receipts and disbursements as required by NCGS § 93B-2(b) to the following persons:

Pam Wade - N.C. Office of the State Auditor
Denise Jones - State Publications Clearinghouse Liaison
Donald Crooke, NC Office of State Budget & Management
Harrison Moore, NC State Legislature
Ellen Rockefeller – NC Office of State Controller
Melissa Lovell - NC Department of Justice
Publications - NC Secretary of State

Bound copies of the Board's audited 2017 financial report also were sent to:

Katie Gleason
N.C. Office of the State Auditor
20601 Mail Service Center
Raleigh, NC 27699-0600

Respectfully submitted:


Matt Staton
Board President
Date 4/11/18


Stephen E. Davis
Executive Director
Date 4/27/18