



NORTH CAROLINA BOARD OF FUNERAL SERVICE

Stephen E. Davis
Executive Director

Dr. Steven L. Lyons
President

April 27, 2023

TO:

NC Office of State Budget & Management
Office of the Attorney General
Department of the Secretary of State
Joint Legislative Administrative Procedure Oversight Committee
NC Office of the State Controller
NC Office of the State Auditor

FROM:

Stephen E. Davis
Executive Director

A handwritten signature in black ink that reads "Stephen E. Davis".

RE:

Annual Report of Licensing Activities Pursuant to NCGS 93B-2

The North Carolina Board of Funeral Service submits the attached report of licensing activities in accordance with the reporting requirements of NC General Statute 93B-2 which states:

No later than October 31 of each year, each occupational licensing board shall file electronically with the Secretary of State, the Attorney General, the Office of State Budget and Management, and the Joint Administrative Procedure Oversight Committee a financial report that includes the source and amount of all funds credited to the occupational licensing board and the purpose and amount of all funds disbursed by the occupational licensing board during the previous fiscal year.

This report covers the Board's fiscal year for the period ending December 31, 2022. A completed audit of the Board's financial statements has been filed via separate e-mail by the firm Bernard Robinson & Company, CPA, which includes all financial reporting including the source and amount of all funds credited to the Board as well as disbursements during the FY2022.

Cc: Dr. Steven L. Lyons, President
Amy Acord, Assistant Director
Catherine E. Lee, General Counsel

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, 2022 to December 31, 2022.

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 members and officers in 2022 were as follows:

NAME	ADDRESS
Chris Watson President December 31, 2023 Gov - NCFDA	Parrish Funeral Home 1351 South Pollock Street Selma, NC 27576
Dr. Steven L. Lyons Vice President December 31, 2022 Gov-NCFDA	Steven L. Lyons Funeral Home 1515 New Bern Avenue Raleigh, NC 27610
Thomas T. Hilderbrand Secretary December 31, 2023 Gov - FDMANC	James F. Johnson & Sons, Inc. 206 Fourth Street High Point, NC 27260
J. Stephen Herndon December 31, 2023 Gov - NCFDA	Padgett and King Mortuary 227 E. Main Street Forest City, NC 28043
Don Brown December 31, 2022 Gov - FDMANC	Don Brown Funeral Home 497 2 nd Street Ayden, NC 28513
Robert Jansen (Public Member) December 31, 2023 General Assembly - S	4341 Old Forge Drive Gastonia, NC 28056
Darrell McCormick (Public Member) December 31, 2023 General Assembly - H	D. McCormick Commercial Properties 1325 Ivy Avenue, Suite 101 Winston-Salem, NC 27105
Le'Shekia Coleman December 31, 2024 Gov - Unaffiliated	Alexander Funeral Home 1424 Statesville Avenue Charlotte, NC 28206
Mark Blake December 31, 2022 Gov - NCFDA	Brown-Wynne Funeral Home 300 St. Mary's Street Raleigh, NC 27605

- 1a. **The total number of licensees supervised by the Board:** As of December 31, 2022, there were 2,564 individuals with active or inactive licenses issued by the Board, including 1,647 funeral service licensees, 878 funeral director licensees, 17 embalmer licensees, and 22 provisional funeral director licensees. There were 128 transporter permit holders. There were 27 crematory manager permit holders. There were 740 at-need funeral establishment permits. There were 619 preneed establishment permits. There was 1 embalming facility. There were 33 chapel permits. There were 152 crematory permits. There were 16 unaffiliated licensees. There were 3 alkaline hydrolysis establishment permits.
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 the following examination within the last three years: (i) an entry-level examination in funeral directing; (ii) an examination on the laws of North Carolina and rules of the Board and other agencies dealing with the care, transportation and disposition of dead human bodies; and (iii) an examination of pathology.

Pursuant to N.C. Gen. Stat. § 90-210.25(a)(2), a person seeking licensure as an embalmer in North Carolina must pass the following examinations on the following subjects within the last three years: (i) an examination on embalming, restorative arts, chemistry, pathology, microbiology, and anatomy; and (ii) an examination on the 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 the following examinations within the last three years: (i) an entry-level examination on funeral directing; (ii) an examination on embalming, restorative arts, chemistry, pathology, microbiology, and anatomy; and (iii) an examination on the 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 that has equal or greater education, training, and examination requirements must take an examination to demonstrate knowledge of the laws and rules governing the profession in North Carolina.

In 2022, 132 individuals applied to take the North Carolina Laws and Rules Examination. 33 individuals applied to take the North Carolina Pathology Exam. 4 individuals applied to take the North Carolina State Board Examination for Science. 33 individuals applied to take the North Carolina State Board Examination for Arts. Individuals who choose to take the National Board Examinations for Arts and/or Science instead of the North Carolina State Board Examinations for Arts and/or Science do not apply to the Board to take said examinations.

3. **The number who were refused examination by the Board:** There were 0 candidates who applied to the Board to take examinations who were not permitted to do so.
4. **The number who took the examination:** 123 individuals took the North Carolina Laws and Rules Examination. 23 individuals took the North Carolina Pathology Exam. 7 individuals took the North Carolina State Board Examination for Science. 168 individuals took the North Carolina State Board Examination for Arts.
5. **The number to whom initial licenses were issued:** In 2022, 111 initial licenses were issued to candidates for licensure as a funeral director, provisional funeral director, funeral service licensee, or an embalmer. 40 initial transportation and removal permits were issued, 4 initial unaffiliated licenses were issued, and 3 initial crematory manager permits were issued. 30 initial establishment permits were issued and 25 initial preneed establishment permits were issued. 13 initial crematory permits were issued. 1 initial alkaline hydrolysis establishment permit was issued.
- 5a. **The number who failed the examination:** 36 candidates who sat for the North Carolina Laws and Rules Examination in 2022 were unsuccessful in passing it in 2022. 23 candidates who sat for the North Carolina Pathology Exam in 2022 were unsuccessful in passing it in 2022. 6 candidates who sat for the North Carolina State Board Exam for Science in 2022 were unsuccessful in passing it in 2022. 147 candidates who sat for the North Carolina State Board Exam for Arts in 2022 were unsuccessful in passing it in 2022.
6. **The number who applied for license by reciprocity or comity:** 30 candidates applied for licensure by reciprocity or comity in 2022.
7. **The number who were granted licenses by reciprocity or comity:** Of the candidates who applied for licensure by reciprocity or comity in 2022, 13 candidates were granted licenses by reciprocity or comity in 2022.
- 7a. **The number of official complaints received involving licensed and unlicensed activities:** In 2022, the Board received 173 complaints, 108 of which were consumer complaints and 65 of which were staff-generated.
- 7b. **The number of disciplinary actions taken against licensees, or other actions taken against non-licensees, including injunctive relief:** In 2022, 34 disciplinary case proceedings were adjudicated by the Board, through which disciplinary actions were taken. These actions involved multiple types of licenses and permits (individual, preneed establishment, at-need establishment, transport, etc.). The Board entered into an additional 37 consent orders to resolve disciplinary matters in which licensees failed to timely renew active licensure and engaged in practice following expiration of active licensure.

Additionally, the Board issued 39 non-disciplinary letters of caution to various licensees, of which 21 were conditioned upon the licensees taking a Board-sponsored continuing education

case in lieu of further disciplinary proceedings. The Board sought injunctive relief and/or contempt for unlicensed practice in 2 separate lawsuits before the general courts.

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 can include stayed license revocations or suspensions.

In 2022, 4 licenses or permits were revoked or voluntarily surrendered in lieu of disciplinary action; 3 permits or licenses were actively suspended; 26 licenses or permits were suspended or revoked, but said suspensions or revocations were stayed pursuant to certain terms; 8 permits or licenses were placed on a probationary period; 51 civil penalties in amounts ranging from \$250.00 to \$5,000.00 were imposed; and 3 licensees or permit holders were ordered to reimburse consumers for costs paid. 8 permit or license holders were ordered through disciplinary action to take remedial Board-sponsored continuing education courses.

9. **The number of licenses terminated for any reason other than failure to pay the required renewal fee:** 26 individual licenses were terminated in 2022 due to the death of the licensee.

- 9a. **The number of applicants for a license and, of that number, the number granted a license.**

In 2022, 54 individuals applied for a funeral director license; of these applications, the Board granted 21 funeral director licenses. 55 individuals applied for a funeral service license; of these applications, the Board granted 47 funeral service licenses. 17 individuals applied for a provisional funeral director license; of these applications, the Board granted 15 provisional funeral director licenses.

34 businesses applied for an at-need establishment permit; of these applications, the Board granted 34 at-need establishment permits. 25 businesses applied for a preneed establishment permit; of these applications, the Board granted 25 preneed establishment permits. 13 businesses applied for a crematory permit; of these applications, the Board granted 13 crematory permits. 3 individuals applied for an unaffiliated practice permit; of these applications, the Board granted 3 unaffiliated practice permits. 3 businesses applied for a chapel permit; of these applications, the Board granted 3 chapel permits. 1 business applied for an alkaline hydrolysis permit; of these applications, the Board granted 1 alkaline hydrolysis permit.

- 9b. **The number of applicants with a conviction record and, of that number, the number granted a license, denied a license for any reason, and denied a license because of a conviction.**

In 2022, 48 applicants with a conviction record applied for a license or permit from the Board. Of that number, the Board denied 0 applications for various reasons. Denials because of the applicant's conviction record included 8 preliminary denials that were subsequently referred to

the Board. Of these 8 denials, 7 requested a hearing before the Board to appeal the preliminary denial. Of these 7 appeals, 1 was denied a license because of a conviction.

9c. The number of applicants who are active-duty military or military veterans, the number granted a license, the number denied a license for any reason, and a summary of the reasons for denial.

In 2022, 6 applicants who are active duty military or military veterans applied for a license or permit from the Board. Of that number, the Board granted 5 applications and denied 0 applications for various reasons. Of these denials, the reasons for the denial were as follows: N/A.

9d. The number of applicants who are military spouses, the number granted a license, the number denied a license for any reason, and a summary of the reasons for denial.

In 2022, 0 applicants who are military spouse applied for a license or permit from the Board. Of that number, the Board granted 0 application and denied 0 applications for various reasons. Of these denials, the reasons for the denial were as follows: N/A.

10. The substance of any anticipated request by the occupational licensing board to the General Assembly to amend statutes related to the Board: In 2022, the Board will consider a request to the General Assembly for amending the following statutes:

- NC General Statute 90-210.25(a)(4)(i)

i. ~~Only one~~ No more than two resident ~~trainee~~ trainees may register and serve at any one time under any one person licensed and registered as a resident trainee supervisor under this Article.

- NC General Statute 90-210.25(b)(1)

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

(1) The Board shall grant licenses to funeral directors, embalmers and funeral service licensees, licensed in other jurisdictions, when it is shown that the applicant has satisfied all of the following:

a. The applicant holds an active, valid license in good standing as a funeral director, embalmer, or funeral service licensee issued by a jurisdiction that will reciprocate a North Carolina license to practice as a funeral director, embalmer, or funeral service licensee. The license, ~~at the time it was issued by the other jurisdiction, must be substantially equivalent~~ have had equal or greater education, training, and to the education, training, and examination requirements for North Carolina.

- NC General Statute 90-210.67. Application for license.

(d) Any person selling a preneed funeral contract, whether funded by a trust deposit or a prearrangement insurance policy, shall remit to the Board, within 10 days of the sale, a fee not to exceed ~~twenty~~ twenty-five dollars (~~\$20.00~~) (\$25.00) for each sale and a copy of each contract. The person shall pay a late fee of not more than twenty-five dollars (\$25.00) for each late filing and payment. The fees shall not be remitted in cash. If the person resides in a county that is under a state of emergency, as defined in G.S. 166A-19.3(19), at the time of the sale, then the Board shall extend the period to file and pay the fee for each sale and copy of each contract to 30 days from the date of the sale.

- NC General Statute 90-210.132. Fees.

(a) By rule, the Board may set and collect fees from crematory and hydrolysis licensees, crematory and hydrolysis manager permit holders, and 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.....	150.00
(5) Per cremation or hydrolysis fee.	10.00 20.00
(6) Late fee, per 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.

(b) The funds collected pursuant to this Article shall become part of the general fund of the Board. (1989 (Reg. Sess., 1990), c. 988, s. 1; 1997-399, s. 22; 2003-420, s. 2; 2018-78, s. 18.)

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:** In 2022, the Board intends to adopt rules to amend certain procedures and standards for individuals engaged in the transportation or removal of dead human bodies, in consultation with the Office of the Chief Medical Examiner.

The Board also anticipates that it will engage in rule-making in 2022 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 is not yet known.

Part B: Receipts and Disbursements

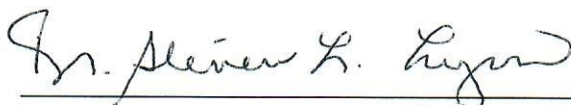
The Board operates on a calendar fiscal year. On April 27, 2022, Bernard Robinson & Company, LLP sent copies, via electronic correspondence of the Board's audited financial report that provides the information on receipts and disbursements as required by NCGS § 93B-2(b) to the following persons:

- Melissa Lovell – Office of Attorney General – mlovell@ncdoj.gov
- Ms. Logan Rains, Publications – Department of Secretary of State – pubs@sosnc.gov
- Virginia Barlow – Joint Legislative Administrative Procedure Oversight Committee – virginia.barlow@ncleg.gov
- Joan Saucier – Office of State Controller – Joan.Saucier@osc.nc.gov
- Katine Bell – Office of State Auditor – Katina_bell@ncauditor.net
- Deborah Weatherbee – Office of State Auditor – Deborah_Weatherbee@ncauditor.net
- Susie Esealuka – Office of State Budget and Management – Susie.eseluka@osbm.nc.gov

Bound copies of the Board's audited 2022 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:



Dr. Steven L. Lyons
Board President

April 27, 2023
Date



Stephen E. Davis
Executive Director

April 27, 2023
Date