

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

SESSION LAW 2026-48
SENATE BILL 857

AN ACT TO UPDATE THE BOARD OF FUNERAL SERVICE STATUTES AND TO
AMEND VARIOUS LICENSING PROGRAMS BY THE DEPARTMENT OF
INSURANCE, AS RECOMMENDED BY THE GENERAL STATUTES COMMISSION.

The General Assembly of North Carolina enacts:

PART I. UPDATE FUNERAL BOARD STATUTES

SECTION 1. The catch line to G.S. 90-210.22 reads as rewritten:

"§ 90-210.22. ~~Required meetings of the Board.~~Board of Funeral Service."

SECTION 2. G.S. 90-210.19 is recodified as G.S. 90-210.22(b).

SECTION 3. G.S. 90-210.18A(b), (c), and (d) are recodified as G.S. 90-210.22(a), (f), and (g), respectively.

SECTION 4. G.S. 90-210.23(b) and (c) are recodified as G.S. 90-210.22(c) and (e), respectively.

SECTION 5. G.S. 90-210.18A, as amended by Section 3 of this act, reads as rewritten:

"§ 90-210.18A. ~~Board of Funeral Service created; qualifications; vacancies; removal.~~State policy on the practice of funeral service."

(a) The General Assembly declares that the practice of funeral service affects the public health, safety, and welfare and is subject to regulation and control in the public interest. The public interest requires that only qualified persons be ~~permitted~~allowed to practice funeral service in North Carolina and that the profession merit the confidence of the public. This Article shall be liberally construed to accomplish these ends.

(b) through (d) Recodified."

SECTION 6. G.S. 90-210.25(c)(3) is recodified as G.S. 90-210.20(22).

SECTION 7. G.S. 90-210.20, as amended by Section 6 of this act, reads as rewritten:

"§ 90-210.20. Definitions.

~~Unless a different meaning is required by the context, the~~The following definitions apply to this Article and Articles 13D and 13F of this Chapter:

~~The following definitions apply in this Article:~~

- (1) Advertisement. – The publication, dissemination, ~~circulation~~circulation, or placing before the public, or causing directly or indirectly to be made, published, ~~disseminated~~disseminated, or placed before the public, ~~any~~an announcement or statement in a newspaper, magazine, or other publication, or in the form of a book, notice, circular, pamphlet, letter, handbill, poster, bill, sign, placard, card, ~~label~~label, or tag, or over any radio, television station, or electronic medium.
- (2) Alkaline hydrolysis. – The technical process that reduces ~~dead human bodies~~human remains to bone fragments using heat, water, and chemical agents.
- (3) Board. – The North Carolina Board of Funeral Service.



- (4) ~~Branch establishment. – A funeral establishment that serves as an ancillary facility to a principal funeral establishment, which is not required to contain a preparation room pursuant to G.S. 90-210.27A(a)-establishment.~~
- (5) ~~Burial. – Includes interment in any form, cremation and the transportation of the dead human body as necessary.~~
- (6) ~~Chapel. – A facility separate from the a funeral establishment premises that meets all of the following requirements:~~
- ~~a. for the Its primary purpose of is the reposing of dead human bodies, human remains, visitation, funeral ceremony, or memorial service service.~~
 - ~~b. that It is owned, operated, or maintained by a principal funeral establishment under this Article, and establishment.~~
 - ~~c. that It is not staffed on a full-time basis, basis.~~
 - ~~d. in which or on the premises of which, there is not displayed any caskets or other funeral merchandise; in which or on the premises of which there is not located any business office or preparation room; and which no owner, operator, employee, or agent thereof represents the chapel to be a funeral establishment. A Caskets and other funeral merchandise are not displayed on its premises; however, a funeral establishment may utilize a chapel use it to make funeral arrangements and to sell funeral merchandise to the public by photograph or digital presentation, and to make financial arrangements related to the sale, provided that such so long as these uses are secondary and incidental to and do not interfere with the reposing of dead human bodies, visitation, funeral ceremony, or memorial service.its primary purpose.~~
 - ~~e. A business office or preparation room is not located on its premises.~~
 - ~~f. No owner, operator, employee, or agent of it represents that it is a funeral establishment.~~
- (7) ~~Dead human bodies. – Includes The body of a decedent, regardless of its stage of decomposition, and includes fetuses beyond the second trimester and the ashes, bone fragments, or human materials produced as a result of cremation or alkaline hydrolysis.~~
- (8) ~~Embalmer. – Any A person engaged in the practice of embalming.~~
- (9) ~~Embalming. – The preservation and disinfection or attempted preservation and disinfection of dead human bodies human remains by application of chemicals externally or internally or both and the practice of restorative art including the restoration or attempted restoration of the appearance of a dead human body. Embalming shall human remains. The term does not include the washing or use of soap and water to cleanse or prepare a dead human body human remains for disposition by the authorized agents, family, or friends of the deceased who do so privately without pay or as part of the ritual washing and preparation of dead human bodies human remains prescribed by religious practices; provided, that no dead human body shall be handled in a manner inconsistent with G.S. 130A-395.practices.~~
- (10) ~~Embalming facility. – A facility, other than a funeral establishment, at which an embalmer or funeral service licensee engages in embalming and in which, or on the premises of which, there is not displayed any caskets or other funeral merchandise, and which no owner, operator, employee, or agent represents the embalming facility to be a funeral establishment or engages in funeral directing. A facility that is operated by a funeral establishment and meets all of the following requirements:~~

- a. It is located on property that is not contiguous with the premises of the funeral establishment and has a different physical address than the funeral establishment.
 - b. An embalmer or a funeral service licensee engages in embalming at the facility.
 - c. Caskets and other funeral merchandise are not displayed at the facility.
 - d. No owner, operator, employee, or agent of the facility represents that it is a funeral establishment or engages in funeral directing at the facility.
- (11) ~~Embalming fluid. – Any chemicals or substances~~ A chemical or substance manufactured primarily for use by licensed funeral directors, undertakers or embalmers, or registered residents ~~a licensed embalmer, funeral service licensee, or resident trainee in embalming or funeral service~~ to prepare, disinfect, or preserve, either hypodermically, arterially, or by any other recognized means, the body of a deceased person ~~human remains~~ for burial, cremation, reduction, or other final disposition.
- (12) Entry-level examination in funeral directing. – An examination recognized by rule adopted by the Board to assess competency in all of the following subjects:
- a. Funeral arranging and directing.
 - b. Funeral service marketing and merchandising.
 - c. Funeral service counseling.
 - d. Legal and regulatory compliance.
 - e. ~~Crematory~~ Reduction facility operations.
- (13) Funeral directing. – Engaging in the practice of funeral service except embalming.
- (14) Funeral director. – ~~Any~~ A person engaged in the practice of funeral directing.
- (15) Funeral establishment. – ~~Every~~ A place or premises with one or more structures, on a contiguous piece of property, that is devoted to or used in the care, arrangement arrangement, and preparation for the funeral and final disposition of dead human bodies and human remains and is maintained for the convenience of the public in connection with dead human bodies or as the place ~~for carrying on the practice of funeral service.~~
- (16) Funeral merchandise or funeral supplies. – Any personal property used in connection with the conduct of funerals or with the transportation and final disposition of ~~a dead human body,~~ human remains, including caskets, outer burial containers, cremation caskets, urns, and burial clothing. The term does not mean mausoleum crypts, pre-installed outer burial ~~containers~~ or containers, interment receptacles, ~~and columbarium niches~~ niches, or other services or merchandise at a cemetery regulated by the Cemetery Commission.
- (17) Funeral service. – ~~The~~ Any activity regulated by this Article or Article 13D or 13F of this Chapter. The term includes the following:
- a. The aggregate of all funeral service licensees and their duties and responsibilities in connection with the funeral as an organized, purposeful, time-limited, flexible, group-centered response to death.
 - b. The care or disposition of human remains.
 - c. The preparation of human remains by embalming or otherwise for transportation, burial, reduction, or other lawful means of final disposition.

- d. The sale of funeral supplies to the public or any financial arrangements for the sale of funeral supplies.
- (18) Funeral service licensee. – A person who is ~~duly~~ licensed and engaged in the practice of ~~funeral service, both funeral directing and embalming.~~
- (18a) through (18d) Reserved for future codification purposes.
- (18e) Human remains. – The body of a deceased person, including a separate human fetus, regardless of the length of gestation, or body parts.
- (19) Practice of funeral service. – ~~Engaging in the care or disposition of dead human bodies or in the practice of disinfecting and preparing by embalming or otherwise dead human bodies for the funeral service, transportation, burial, cremation, or other lawful means of final disposition, or in the practice of funeral directing or embalming as presently known, whether under these titles or designations or otherwise. "Practice of funeral service" also means engaging in making arrangements for funeral service, selling funeral supplies to the public or making financial arrangements for the rendering of such services or the sale of such supplies.~~ funeral service.
- (20) Principal funeral establishment. – ~~The~~ A funeral establishment that serves as the primary or principal business office of a funeral establishment that ~~has been issued a license by the Board to operate a~~ operates an ancillary branch funeral establishment establishment, embalming facility, or chapel.
- (20a) Reduced human remains. – Human remains after completion of reduction.
- (20b) Reduction. – Cremation, alkaline hydrolysis, or any other method of final disposition of human remains authorized under Article 13F of this Chapter.
- (20c) Reduction facility. – A facility that conducts reduction.
- (20d) Reduction licensee. – A person licensed under Article 13F of this Chapter.
- (21) Resident trainee. – ~~A person who is engaged in preparing to become licensed for the practice of funeral directing, embalming as a funeral director, embalmer, or funeral service licensee, is under the personal supervision and instruction of a person duly licensed for the practice of funeral directing, embalming as a funeral director, embalmer, or funeral service licensee in the this State of North Carolina under the provisions of this Chapter, Article, and who is duly registered as a resident trainee with the Board.~~
- (22) ~~The "transportation~~ Transportation or removal of ~~a dead human body" shall mean the human remains.~~ – The removal of a dead human body human remains for a fee from the location of the place of death or discovery of death or the transportation of ~~the body~~ human remains to or from a medical facility, funeral establishment ~~or establishment,~~ embalming facility, crematory, reduction facility, place of final disposition, or place designated by the Medical Examiner for examination or autopsy of the ~~dead human body.~~ human remains.
- (23) Transportation or removal permit. – A permit authorizing an individual to engage in the transportation or removal of human remains.
- (24) Transportation or removal service permit. – A permit authorizing a business to engage in the transportation or removal of human remains."

SECTION 8. G.S. 90-210.22, as amended by Sections 1 through 4 of this act, reads as rewritten:

"§ 90-210.22. Board of Funeral Service.

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

- (1) Three members appointed by the Governor from nominees recommended by the North Carolina Funeral Directors Association, Inc. These members shall be persons licensed under this Article.
- (2) Three members appointed by the Governor from nominees recommended by the Funeral Directors & Morticians Association of North Carolina, Inc. These members shall be persons licensed under this Article.
- (3) One member appointed by the Governor who is licensed under this Article and who is not affiliated with any funeral service trade association.
- (4) One member appointed by the General Assembly, upon the recommendation of the President Pro Tempore of the Senate. This member shall be a person who is not licensed under this Article or employed by a person who is licensed under this Article.
- (5) One member appointed by the General Assembly, upon the recommendation of the Speaker of the House of Representatives. This member shall be a person who is not licensed under this Article or employed by a person who is licensed under this Article.

Members of the Board shall serve staggered three-year terms, ending on December 31 of the last year of the term or when a successor has been duly appointed, whichever is later. No member may serve more than two complete consecutive terms.

(b) ~~The members of said Board, before Oath.~~ Before entering upon their duties, members of the Board shall take and subscribe to the oath of office prescribed for other State officers, which said oath-officers. The oath shall be administered by a person qualified to administer such oath-it and shall be filed in the office of the Secretary of State.

(c) Officers. ~~The Board shall elect from its members a president, a vice-president and a secretary, no vice-president, and a secretary. No two offices to-shall be held by the same person. The president and vice-president president, vice-president, and secretary shall serve for one year and until their successors shall be-are elected and qualified. The Board shall have authority to may engage adequate staff as deemed necessary to perform its duties.~~

(d) Meetings. ~~The Board shall hold at least four meetings in each year. In addition, the Board may meet as often as the proper and efficient discharge of its duties shall require-requires. Five members shall constitute a quorum.~~

(e) Compensation. ~~The members of the Board shall serve without compensation provided that such members-but shall be reimbursed for their necessary traveling expenses and the necessary expenses incident to their attendance upon the business of the Board, and in addition thereto they-Board. A member shall also receive per diem and expense reimbursement as provided in G.S. 93B-5 for every day actually spent by such member-upon the business of the Board. All expenses, salaries-salaries, and per diem provided for in this Article shall be paid from funds received under the provisions of this Article and Articles 13D, 13E, and 13F of this Chapter and shall in no manner be an expense to the State.~~

(f) Vacancies. ~~A vacancy shall be filled in the same manner as the original appointment, except that all unexpired terms of Board members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. Appointees to fill vacancies shall serve the remainder of the unexpired term and until their successors have been duly-appointed and qualified.~~

(g) Removal. ~~The Board may remove any of its members for neglect of duty, incompetence, or unprofessional conduct. A member subject to disciplinary proceedings as a licensee shall be disqualified from participating in the official business of the Board until the charges have been resolved."~~

SECTION 9. G.S. 90-210.23, as amended by Sections 4 and 18 of this act, reads as rewritten:

"§ 90-210.23. Powers and duties of the Board.

~~(a) The Board is authorized to adopt and promulgate such rules and regulations for transaction of its business and for the carrying out and enforcement of the provisions of this Article as may be necessary and as are consistent with the laws of this State and of the United States.~~

~~(b), (c) Recodified.~~

~~(d) Every person licensed by the Board and every resident trainee shall furnish all information required by the Board reasonably relevant to the practice of the profession or business for which the person is a licensee or resident trainee. Every funeral service establishment and its records and every place of business where the practice of funeral service or embalming is carried on and its records shall be subject to inspection by the Board during normal hours of operation and periods shortly before or after normal hours of operation and shall furnish all information required by the Board reasonably relevant to the business therein conducted. Every licensee, permit holder, resident trainee, embalming facility, funeral establishment, crematory, and alkaline hydrolysis licensee shall provide the Board with a current post-office address which shall be placed on the appropriate register and all notices required by law or by any rule or regulation of the Board to be mailed to any licensee, permit holder, resident trainee, embalming facility, funeral establishment, crematory, or alkaline hydrolysis licensee shall be validly given when mailed to the address so provided.~~

~~(d1) The Board is empowered to hold hearings in accordance with the provisions of this Article and of Chapter 150B to subpoena witnesses and to administer oaths to or receive the affirmation of witnesses before the Board.~~

~~In any show cause hearing before the Board held under the authority of Chapter 150B of the General Statutes where the Board imposes discipline against a licensee, the Board may recover the attorneys' fees and costs associated with holding the hearing against all respondents jointly, not to exceed five thousand dollars (\$5,000).~~

~~(e) The Board is empowered to regulate and inspect, according to law, funeral establishments, embalming facilities, chapels, crematories, and alkaline hydrolysis licensees, their operation, and the licenses under which they are operated, and to enforce as provided by law the rules, regulations, and requirements of the Division of Health Services and of the city, town, or county in which the funeral establishment, embalming facility, chapel, crematory, or alkaline hydrolysis licensee is maintained and operated. Any funeral establishment, embalming facility, chapel, crematory, or alkaline hydrolysis licensee that, upon inspection, is found not to meet all of the requirements of this Article shall pay a reinspection fee to the Board, as set by rule adopted by the Board, for each additional inspection that is made to ascertain that the deficiency or other violation has been corrected. The Board is also empowered to enforce compliance with the standards set forth in Funeral Industry Practices, 16 C.F.R. 453 (1984), as amended from time to time.~~

~~(f) The Board may establish, supervise, regulate and control programs for the resident trainee. It may approve schools of mortuary science or funeral service, graduation from which is required by this Article as a qualification for the granting of any license, and may establish essential requirements and standards for such approval of mortuary science or funeral service schools.~~

~~(g) Recodified.~~

~~(h) The Board shall adopt a common seal.~~

~~(h1) The Board shall have the power to acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to approval of the Governor and the Council of State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.~~

~~(h2) The Board may employ legal counsel and clerical and technical assistance, and fix the compensation therefor, and incur such other expenses as may be deemed necessary in the~~

~~performance of its duties and the enforcement of the provisions of this Article or as otherwise required by law and as may be necessary to carry out the powers herein conferred.~~

~~(i) The Board may perform such other acts and exercise such other powers and duties as may be provided elsewhere in this Article or otherwise by law and as may be necessary to carry out the powers herein conferred.~~

The Board has the following powers and duties:

- (1) To adopt a seal.
- (2) To adopt rules to transact its business and to implement and enforce this Article. Before the Board initiates rulemaking or adopts a rule concerning the removal, handling, or transportation of human remains, the Board must consult with the Office of the Chief Medical Examiner. Nothing in this Article prohibits the Office of the Chief Medical Examiner from adopting policies and procedures regarding the removal, transportation, or handling of human remains under the jurisdiction of that office that are more stringent than this Article or any rules adopted under it.
- (3) To employ legal counsel and clerical and technical assistance, fix the compensation for these services, and incur other expenses the Board considers necessary to perform its duties.
- (4) To supervise and control programs for resident trainees.
- (5) To approve schools of mortuary science or funeral service, graduation from which is required by this Article as a qualification for receiving a license, and to establish requirements and standards for the approval of a mortuary science or funeral service school.
- (6) To regulate and inspect the operation, equipment, and facilities of any person required by this Article to have a license, permit, or registration.
- (7) To require every person that is issued a license, permit, or registration to furnish all information requested by the Board that is reasonably relevant to the practice of the profession or business for which the person is a licensee, a registered resident trainee, or a permit holder.
- (8) To obtain a current post office address from each person issued a license, permit, or registration under this Article. A notice mailed to a person at the address the person provided to the Board is validly given.
- (9) To enforce compliance with the standards set out in Funeral Industry Practices, 16 C.F.R. Part 453.
- (10) To enforce both of the following, as provided by law and as applied to a funeral establishment, chapel, embalming facility, reduction facility, or business engaged in the transportation or removal of human remains:
 - a. The requirements of the Division of Health Services of the Department of Health and Human Services.
 - b. The requirements of a local governmental unit.
- (11) To publish the current statutes and rules related to the practice of funeral service on its website.
- (12) To acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to approval of the Governor and the Council of State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.
- (13) To hold hearings in accordance with this Article and Chapter 150B of the General Statutes and subpoena witnesses and administer oaths to or receive the affirmation of witnesses before the Board. In a show cause hearing before the Board held under Chapter 150B of the General Statutes in which the Board

imposes discipline against a licensee, the Board may recover its attorneys' fees and costs associated with holding the hearing against all respondents jointly, not to exceed five thousand dollars (\$5,000).

(14) To apply to the courts of this State for a restraining order and injunction when it appears to the Board that a person threatens to violate or is violating this Article. If the court finds that this Article is being violated or a violation is threatened, the court shall issue an order restraining and enjoining the violation. This relief may be granted regardless of whether criminal prosecution is instituted for the violation. The venue for a restraining order and injunction is the superior court of (i) any county in which the acts constituting the violation or threatened violation are alleged to have been committed, (ii) the county where the defendant in the action resides, or (iii) Wake County. The Board is entitled to reimbursement of costs and attorneys' fees if the court finds that the defendant has engaged in the unlicensed practice of funeral service.

(15) To exercise powers and duties that are conferred by other law or are necessary to carry out the powers conferred in this Article."

SECTION 10. G.S. 90-210.24 reads as rewritten:

"§ 90-210.24. ~~Inspector.~~Inspectors and inspections.

(a) The Board may appoint one or more agents who shall serve at the pleasure of the Board and who shall have the title "Inspector of the North Carolina Board of Funeral Service." No person is eligible for appointment as inspector unless at the time of the appointment the person is licensed under this Article as a funeral service licensee.

(b) To determine compliance with ~~the provisions of Articles 13A, 13D, this Article and Articles 13D and 13F of this Chapter and rules adopted by the Board under this Article, these Articles,~~ inspectors may do any of the following:

- (1) Enter the office or place of business of any ~~funeral service licensee, funeral director or embalmer in North Carolina, and any office, funeral establishment, embalming facility, chapel, crematory, or alkaline hydrolysis facility, removal and transportation business, or person that has a license, permit, or registration issued under this Article or Article 13D or 13F of this Chapter, any place in North Carolina where the practice of funeral service or embalming is carried on, or any place where that practice is advertised as being carried on, or any place where a visitation, funeral, or memorial service is being conducted or a body is being embalmed, conducted, or any place where human remains are being embalmed~~ to inspect the records, office, establishment, or facility, ~~or to inspect the practice being carried on on, or license or registration to inspect the license, permit, or registration of any licensee, permit holder, and resident trainee operating there.~~
- (2) Enter any hospital, nursing home, or other institution from which a ~~dead human body has~~ human remains have been removed by any person licensed under this Article ~~a licensee or their~~ the licensee's designated representative to inspect records pertaining to the removal and its authorization.
- (3) May inspect ~~Inspect~~ criminal and probation records of ~~licensees~~ licensees, permit holders, resident trainees, and applicants for ~~licenses under this Article licenses, permits, and registrations~~ to obtain evidence of their character.
- (4) Inspectors may serve ~~Serve~~ papers and subpoenas issued by the Board or any office or member thereof under authority of this Article, and shall perform a Board member.
- (5) Perform other duties prescribed ~~or ordered~~ by the Board.

(c) Upon request by the Board, the Attorney General of North Carolina shall provide the inspectors with appropriate identification cards, signed by the Attorney General or his—the Attorney General's designated agent.

(d) The Board may prescribe an inspection form to be used by the inspectors in performing their duties.

(e) An inspection shall be conducted during normal hours of operation and periods shortly before or after normal hours of operation. The person inspected shall furnish all information required by the Board reasonably relevant to the inspection.

(f) A person that has a license, permit, or registration issued under this Article or Article 13D or 13F of this Chapter that, upon inspection, is found not to meet all of the requirements of this Article shall pay a reinspection fee to the Board, as set by rules adopted by the Board, for each additional inspection that is made to ascertain that the deficiency or other violation has been corrected."

SECTION 11. The catch line to G.S. 90-210.25 reads as rewritten:

"§ 90-210.25. Licensing Requirements for all applicants."

SECTION 12. G.S. 90-210.25, as amended by this act, reads as rewritten:

"§ 90-210.25. Requirements for all applicants.

(a) Qualifications, Examinations, Resident Traineeship and Licensure.—An applicant for a license, permit, or resident traineeship bears the burden of substantiating to the satisfaction of the Board that the applicant meets the qualifications for the license, permit, or resident traineeship. An applicant must do all of the following when submitting an application:

- (1) Submit the application on a form provided by the Board.
- (2) Sign the application under oath, attesting to the accuracy of the application.
- (3) Consent to a criminal history background check. If the applicant is a business entity, any owner, partner, manager, member, operator, or officer of the entity must also consent to a criminal history background check. Refusal to consent is grounds to deny the application.
- (4) Pay any required fee.

...."

SECTION 13. G.S. 90-210.25(a)(3) is recodified as G.S. 90-210.25D and reads as rewritten:

"§ 90-210.25D. Qualifications for license to practice as a funeral service licensee.

To be licensed for the An applicant for a license to practice of as a funeral service under this Article, an applicant for licensure bears the burden of substantiating to the satisfaction of the Board that the applicant licensee must meet all of the following requirements:

- (1) Is at least 18 years of age.
- (2) Is of good moral character.
- (3) Possesses an associate degree in mortuary science, or the equivalent, from a mortuary science program approved by the Board and accredited by the American Board of Funeral Service Education.
- (4) Within the last three years, has completed 12 months of resident traineeship as a funeral service licensee, pursuant to the procedures and conditions set out in G.S. 90-210.25(a)(4), G.S. 90-210.25L, either before or after satisfying the educational requirement under sub-subdivision e. of this subdivision.subdivision (3) of this section.
- (5) Within the last five years, has passed an oral or written funeral service examination on the following subjects:
 - a. Entry-level examination in funeral directing.
 - b. Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy.

Repealed by Session Laws 1997-399, s. 7.

- c. Examination of the laws of North Carolina, the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), pursuant to its most recent version, Part 453, and rules of the Board and other agencies dealing with the care, ~~transportation~~ transportation, and disposition of ~~dead human bodies~~ human remains.
Has paid all applicable fees."

SECTION 14. G.S. 90-210.25(a)(1) and (a)(3a) are recodified as G.S. 90-210.25E(a) and (b), respectively. G.S. 90-210.25E reads as rewritten:

"§ 90-210.25E. Qualifications for license or provisional license to practice funeral directing.

(a) ~~To be licensed for the License. – An applicant for a license to practice of funeral directing under this Article, an applicant for licensure bears the burden of substantiating to the satisfaction of the Board that the applicant:~~ must meet all of the following requirements:

- (1) Is at least 18 years of age.
- (2) Is of good moral character.
- (3) Possesses a degree in mortuary ~~science or has graduated from a Funeral Director Program,~~ science, or the equivalent, from a program approved by the Board or accredited by the American Board of Funeral Service ~~Education.~~ Education, or has graduated from a funeral director program approved by the Board or accredited by the American Board of Funeral Service Education.
- (4) Within the last three years, has completed 12 months of resident traineeship as a funeral director, pursuant to the procedures and conditions set out in ~~G.S. 90-210.25(a)(4), G.S. 90-210.25L,~~ either before or after satisfying the educational requirement under ~~sub-subdivision c. of this subdivision.~~ subdivision (3) of this subsection.
- (5) Within the last five years, has obtained passing scores on all of the following examinations:
 - a. Entry-level examination in funeral directing.
~~Repealed by Session Laws 1997-399, s. 5.~~
 - b. Examination of the laws of North Carolina, the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), pursuant to its most recent version, Part 453, and rules of the Board and other agencies dealing with the care, ~~transportation~~ transportation, and disposition of ~~dead human bodies~~ human remains.
 - c. Examination of pathology.
Has paid all applicable fees.

(b) ~~To be licensed provisionally for the Provisional License. – An applicant for a provisional license to practice of funeral directing under this Article, an applicant bears the burden of substantiating to the satisfaction of the Board that the applicant:~~ must meet all of the following requirements:

~~Has completed a Board approved application for a provisional license and paid an application fee of five hundred dollars (\$500.00).~~

- (1) Is at least 18 years of age.
- (2) Is of good moral character.
- (3) Possesses an undergraduate degree in any field, an Associate of Applied Science degree in any field, or a diploma in funeral directing from a Board-approved curriculum at an accredited college of mortuary science.
- (4) Has a certified resident traineeship, is eligible for certification as a resident trainee, or has at least five years of professional experience under the supervision of a licensed funeral director or funeral service licensee.

A provisional license issued pursuant to this subsection shall expire on December 31 of each year and shall not be renewed more than two times. ~~The annual renewal fee for a provisional license issued pursuant to this subsection is two hundred fifty dollars (\$250.00). A provisional licensee shall complete a minimum of five hours of continuing education each year in accordance with G.S. 90-210.25(a)(5)d.~~

If, within three years of first obtaining a provisional license, the provisional licensee ~~substantiates to the satisfaction of the Board that the provisional licensee has obtained~~ obtains passing scores on an examination of the laws of North 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, and a Board approved entry level examination in funeral directing, the examinations required by subdivision (a)(5) of this section, other than the pathology exam, the Board may issue the provisional licensee a funeral director license ~~subject to the same annual renewal requirements as for licensees in funeral directing license.~~

SECTION 15. G.S. 90-210.25(a2) is recodified as G.S. 90-210.25F and reads as rewritten:

"§ 90-210.25F. Requirements for practicing as a funeral director or funeral service licensee.

~~[Certain Exemptions.] In order to To engage in the practice of funeral directing or funeral service, such as a funeral director or a funeral service licensee, a licensee must meet one of the following descriptions:~~

- ~~(1) own, be Owns, is~~ employed by, or is otherwise ~~be~~ an agent of a licensed funeral establishment; ~~except that such a licensee may practice funeral directing or funeral service if any of the following apply: establishment that has a permit issued under this Article.~~
- ~~(1)(2) The licensee is~~ Is employed by a an accredited college of mortuary science science and the practices in which the licensee engages are part of a Board-approved curriculum of mortuary science.
- ~~(2)~~ **(Repealed effective July 1, 2030)** The licensee does all of the following:
 - ~~a. Maintains all of the licensee's business records at a location made known to the Board and available for inspection by the Board under the same terms and conditions as the business records of a licensed funeral establishment.~~
 - ~~b. Complies with rules and regulations imposed on funeral establishments and the funeral profession that are designed to protect consumers, to include, but not be limited to, the Federal Trade Commission's laws and rules requiring General Price Lists and Statements of Goods and Services.~~
 - ~~c. Pays to the Board the funeral establishment license fee required by law and set by the Board.~~
 - ~~d. Obtains and maintains a professional liability insurance policy with liability limits of at least one million dollars (\$1,000,000). Certificates of professional liability insurance shall be (i) submitted to the Board within 30 days of the initial registration of the licensee by the Board and (ii) submitted to the Board upon request. The licensee shall notify the Board in writing within 30 days of any change in the insurer or any cancellation or suspension of policy.~~
 - ~~e. Submits an affidavit to the Board attesting that he or she owns, or was being employed by, a funeral establishment directly damaged or destroyed by Hurricane Helene.~~

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

SECTION 16. G.S. 90-210.25(a)(2) and (d1) are recodified as G.S. 90-210.25G(a) and (b), respectively. G.S. 90-210.25G reads as rewritten:

"§ 90-210.25G. Qualifications for license to practice embalming; facility registration.

(a) ~~To be licensed for the~~ Qualifications. – An applicant for a license to practice of embalming ~~under this Article, an applicant for licensure bears the burden of substantiating to the satisfaction of the Board that the applicant must meet all of the following requirements:~~

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

(b) ~~Embalming Facilities.~~ – An embalmer who engages in embalming at Facility Registration. – A funeral establishment that operates an embalming facility shall ~~must~~ register the facility with the Board ~~on forms provided by the Board.~~"

SECTION 17. Article 13A of Chapter 90 of the General Statutes is amended by adding a new section to read:

"§ 90-210.25H. Examinations.

The Board, by rule, may recognize examinations not prepared by the Board as equivalent to its own examinations. The Board may contract with a third party to administer examinations on its behalf to applicants for licensure under this Article."

SECTION 18. G.S. 90-210.29(a) and G.S. 90-210.23(g) are recodified as G.S. 90-210.25I(a) and (b), respectively. G.S. 90-210.25I reads as rewritten:

"§ 90-210.25I. Mortuary school students and school privileges.

(a) Students. – Students who are enrolled in duly accredited mortuary science colleges in North Carolina may engage in the practices defined in this Article if the practices are part of their academic training and if the practices are under the supervision of a licensed instructor of mortuary science or a licensee designated by the mortuary science college upon registration with the Board.

(b) ~~Schools~~ School Privileges. – A school for teaching mortuary science which is approved by the Board shall have extended to them ~~has~~ the same privileges as to the use of bodies human remains for dissecting while teaching as those granted to a medical college in this State to medical colleges, but such bodies shall be obtained through the same agencies which provide bodies for medical colleges. State. A school of mortuary science must obtain human remains for dissecting from the same agencies that provide human remains to medical colleges."

SECTION 19. G.S. 90-210.25(b)(1) and (b)(3) are recodified as G.S. 90-210.25J(a) and (b), respectively. G.S. 90-210.25J reads as rewritten:

"§ 90-210.25J. Applicants licensed in other states; courtesy cards.

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

- (1) The applicant holds an ~~active, valid~~ active license in good standing as a funeral director, embalmer, or funeral service licensee issued by a jurisdiction that ~~will reciprocate~~ reciprocates a North Carolina license to practice as a funeral director, embalmer, or funeral service licensee.
- (2) The applicant has demonstrated knowledge of the laws ~~and rules~~ governing the profession in North Carolina through achieving a passing score on ~~the laws and rules~~ an exam administered on behalf of the Board.
- (3) The applicant has submitted proof of the applicant's good moral character.
- (4) The applicant has practiced in the profession for at least three consecutive years in a jurisdiction that ~~will reciprocate~~ reciprocates a North Carolina license to practice as a funeral director, embalmer, or funeral service licensee.
- (5) The applicant has paid all applicable fees.

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

(b) Courtesy Card. – The Board may issue special permits, to be known as courtesy cards, permitting nonresident funeral directors, ~~embalmers~~ embalmers, and funeral service licensees to remove ~~bodies~~ human remains from and to arrange and direct funerals and embalm ~~bodies~~ human remains in this State, ~~but these State.~~ These privileges shall do not include the right to establish a place of business ~~in~~ or engage generally in the business of funeral directing and embalming in this State. Except for special permits issued by the Board for teaching continuing education programs and for work in connection with disasters, no special permits ~~may~~ shall be issued to nonresident funeral directors, embalmers, and funeral service licensees from states that do not issue similar courtesy cards to persons licensed in North Carolina pursuant to this Article. The Board may adopt rules under this subsection to include courtesy card application procedures and the limited practice of funeral service that may be conducted with a courtesy card."

SECTION 20. G.S. 90-210.25(a)(5)c. and d. are recodified as G.S. 90-210.25K(a), and G.S. 90-210.25(a)(5)e. and f. are recodified as G.S. 90-210.25K(b) and (c), respectively. G.S. 90-210.25K reads as rewritten:

"§ 90-210.25K. Continuing education required of funeral service, funeral director, and embalmer licensees.

(a) Requirement. – All funeral service, funeral director, and embalmer licensees ~~now or hereafter licensed in North Carolina shall~~ must take continuing education courses approved by the Board in subjects relating to the practice of the profession for which they are licensed, to the end that the benefits of learning and reviewing skills will be utilized and applied to assure proper service to the public. Completion of the courses is

As a prerequisite to the annual renewal of a license, the license. Each licensee must complete, during the year immediately preceding renewal, at least five hours of continuing education courses, of which the Board may require licensees to take up to two hours specified by the Board. All continuing education courses must be approved by the Board prior to enrollment. courses approved by the Board before enrollment. The Board may specify two of the five hours. A licensee who completes more than five hours in a year may carry over a maximum of five hours as a credit to the following year's renewal requirement. A licensee does not have is not required to satisfy the continuing education requirement for the calendar year in which the license was first obtained.

(b) Waiver. – ~~The Board shall not renew a license unless fulfillment of the continuing education requirement has been certified to it on a form provided by the Board, but the Board may waive this the continuing education requirement for renewal in cases of certified illness or undue hardship or where the for a licensee who lives outside of North Carolina and does not practice in North Carolina. The Board shall waive the continuing education requirement for the following licensees:~~

- (1) ~~All licensees~~ Those who were licensed on or before December 31, 2003, and have been licensed in North Carolina for a continuous period of 25 years or more.
- (2) ~~All licensees~~ Those who are licensed on or after January 1, 2004, ~~who~~ have been licensed for a continuous period of 25 years or ~~more~~ more, and have attained the age of 60 years.
- (3) ~~All licensees~~ Those who are, at the time of renewal, members of the North Carolina General Assembly.

(c) Board Courses. – The Board shall cause to be established and offered to the licensees, each calendar year, at least eight hours of Board-sponsored continuing education courses. The Board may charge licensees attending these courses a ~~reasonable~~ registration fee ~~not to exceed fifty dollars (\$50.00)~~ in order to meet the expenses ~~thereof~~ of the courses and may also meet those expenses from other funds received under ~~the provisions of this Article.~~ Article and Articles 13D, 13E, and 13F of this Chapter."

SECTION 21. G.S. 90-210.25(a)(4) is recodified as G.S. 90-210.25L and reads as rewritten:

"§ 90-210.25L. Resident traineeship for licensure as a funeral service licensee, funeral director, or embalmer.

(a) ~~A person desiring to~~ Qualifications. – ~~An applicant to become a resident trainee shall apply to the Board on a form provided by the Board. The application shall state that the applicant must apply to the Board and must meet the qualifications set out in this subsection. The Board must register an applicant who meets the qualifications as a resident trainee. The qualifications are as follows:~~

- (1) ~~is not less than~~ Is at least 18 years of ~~age,~~ age.
- (2) ~~Is of good moral character,~~ character.
- (3) ~~and is the~~ Is a graduate of a high school or the equivalent thereof, of a graduate.

(b) ~~and shall~~ Supervisor Identified. – ~~An application must 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 who is in good standing with the Board and who has been licensed to practice funeral service or embalming full time for a minimum of one year. A person training to become a funeral director may serve under the supervision of either a licensed funeral director or a funeral service licensee who is in good standing with the Board and who has been licensed to practice funeral service or funeral directing full time for a minimum of one year. A person training to become a funeral service licensee shall serve under the supervision of a funeral service licensee who is in good standing with the Board and who has been licensed to practice funeral service full time for a minimum of one year. 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 register the applicant as a resident trainee.~~

(c) Supervisor Limitations. – A licensee who supervises a resident trainee must register with the Board. The registered supervisor for a resident trainee must be employed by and engaged in practice at a funeral establishment during the period of sponsorship. A registered supervisor shall not supervise more than two resident trainees at the same time.

(d) Supervisor Affidavits. – Within 30 days of a resident trainee leaving the proctorship supervision of the licensee under whom the trainee has worked, the licensee shall file with the

Board affidavits showing the length of time served with the licensee by the trainee and attesting to the trainee's competencies on a form prescribed by the Board by rule. The affidavits shall be made a matter of record in the Board's office. The licensee shall deliver copies of the affidavits to the trainee.

(e) Switching Supervisor. – A person who has not completed the traineeship and wishes to do so under the supervision of a licensee other than the one with whom he or she initially registered may reapply to the Board for approval.

(f) Upon payment of the renewal fee, Period of Traineeship. – To satisfy the requirements for licensure as a funeral service licensee, funeral director, or embalmer, a resident trainee must serve 12 months as a trainee. The registration of a resident traineeship ~~shall be~~ is renewable for one year after the date of original ~~registration; registration,~~ but the registration ~~may~~ shall not be renewed more than two times. The Board shall mail to each registered trainee at the trainee's last known residential address or email address a notice that ~~the a~~ renewal fee is due and that, if not paid within 30 days of the notice, the registration will be canceled. A late fee, in addition to the renewal fee, shall be charged for a late renewal, 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 shall not be charged a late fee. No credit ~~shall be~~ is allowed for ~~the a~~ 12-month period of resident traineeship that ~~shall have been~~ was completed more than ~~five~~ three years preceding the examination for a license. However, ~~any a~~ resident trainee to whom G.S. 105-249.2 grants an extension of time to file a tax return ~~shall be~~ is allowed an extension of time to retain credit equal to the number of days of active deployment.

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

- (1) For funeral director trainees, the conduct of any funerals during the relevant time ~~period,~~ period.
- (2) For embalming trainees, the embalming of any ~~bodies~~ human remains during the relevant time ~~period,~~ period.
- (3) For funeral service licensee trainees, both of the activities ~~named in 1 and 2 of this subsection,~~ described in subdivisions (1) and (2) of this subsection that the trainee engaged in during the relevant time period.

(h) Competencies. – To meet the resident traineeship requirements ~~of G.S. 90-210.25(a)(1), G.S. 90-210.25(a)(2) and G.S. 90-210.25(a)(3)~~ for licensure as a funeral service licensee, a funeral director, or an embalmer, the following must be shown by the ~~affidavit(s)~~ affidavits of the ~~licensee(s)~~ licensee under whom the trainee worked:

- (1) ~~That~~ For a funeral director trainee, the ~~funeral director~~ trainee has, under the supervision of the ~~licensed individual, registered as the trainee's supervisor,~~ licensee, substantially assisted in directing at least 25 funerals during the resident ~~traineeship,~~ traineeship.
- (2) ~~That~~ For an embalmer trainee, the ~~embalmer~~ trainee has, under the supervision of the ~~licensed individual, registered as the trainee's supervisor,~~ licensee, substantially assisted in embalming at least 25 bodies during the resident ~~traineeship,~~ traineeship.
- (3) ~~That~~ For a funeral service licensee trainee, the ~~funeral service~~ trainee has, under the supervision of the ~~licensed individual, registered as the trainee's supervisor,~~ licensee, substantially assisted in directing at least 25 funerals ~~and, under the supervision of the licensed individual, registered as the trainee's~~

~~supervisor, substantially assisted in and~~ embalming at least 25 bodies during the resident traineeship.

(i) Discipline. – The Board may suspend, revoke, or refuse to issue or renew the registration of a resident traineeship for violation of any provision of this Article or place a trainee on probation for any violation of this Article or rules adopted by the Board. The Board may determine the length of any suspension, revocation, refusal to issue or renew, or probation and impose conditions on probation and reinstatement as the Board deems appropriate.

~~Each registered supervisor for a resident trainee must during the period of sponsorship be actively employed with a funeral establishment.~~

~~Only two resident trainees may register and serve at any one time under any one person licensed and registered as a resident trainee supervisor under this Article.~~

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

(j) Meetings. – Any resident trainee or registered supervisor of a resident trainee shall meet with the Board upon request.

~~m. Repealed by Session Laws 2025-76, s. 3.5, effective July 9, 2025."~~

SECTION 22. G.S. 90-210.25(a1) is recodified as G.S. 90-210.25M and reads as rewritten:

"§ 90-210.25M. Inactive licensees and trainees.

(a) ~~Inactive Licenses.—Any Licensees.~~ – A person holding a license issued by the Board for funeral directing, for embalming, or for the practice of funeral service, or any registered resident trainee as a funeral director, embalmer, or funeral service licensee may apply for an inactive license in the same category as the active license held. The inactive license is renewable annually. Continuing education is not required for the renewal of an inactive license. The holder of an inactive license may ~~shall~~ not engage in any activity requiring an active license. The holder of an inactive license may apply for an active license in the same category, and the Board shall issue an active license if the applicant has completed a total number of hours of accredited continuing education equal to five times the number of years the applicant held the inactive license. No application fee is required for the reinstatement of an active license pursuant to this subsection. The holder of an inactive license who returns to active status shall surrender the inactive license to the Board.

(b) Trainees. – A resident trainee may place his or her traineeship on inactive status by giving the Board written notice of the trainee's decision to do so. While on inactive status, the trainee must continue to renew the traineeship annually and pay the renewal fee. Failure to do so results in termination of the traineeship. The three-year limit on completing a traineeship continues to run while a trainee is on inactive status. To return to active status, a trainee must notify the Board by submitting a form provided by the Board."

SECTION 23. The first two sentences of G.S. 90-210.25(d)(1), (d)(2), and (d)(5) are recodified as G.S. 90-210.25N(a), (b), and (d), respectively. G.S. 90-210.25N reads as rewritten:

"§ 90-210.25N. Requirement and qualifications for funeral establishment permit.

(a) Requirement. – No person, firm, or corporation shall conduct, maintain, manage, or operate a funeral establishment unless a permit for that the establishment has been a funeral establishment permit issued by the Board and is conspicuously displayed in the establishment. Board. Each funeral establishment at a specific location shall be deemed to be considered a separate entity and shall require requires a separate permit and compliance with the requirements of this Article.

(b) ~~A permit shall be issued when:~~ Qualifications. – An applicant for a funeral establishment permit must meet all of the following qualifications:

- (1) It is shown that the funeral establishment has in charge a licensed manager as set forth in this subsection. Satisfy the ownership, naming, and manager requirements in G.S. 90-210.25O.

- (2) ~~The Board receives~~ Provide the Board a list of the names of all part-time and full-time licensees to be employed or contracted by the funeral establishment.
- (3) ~~It is shown that the funeral establishment satisfies~~ Satisfy the preparation room, reposing room, and other operational requirements of G.S. 90-210.27A.
~~The Board receives payment of the permit fee.~~

(c) Application. – An application for an initial funeral establishment permit must be submitted to the Board by the person designated in the application as the intended manager of the funeral establishment. An application for renewal of a funeral establishment permit must be filed by the manager of the funeral establishment or, if the funeral establishment is operating within the 30 days allowed under G.S. 90-210.25O, the owner, a partner, a member of the limited liability company, or an officer of the corporation.

(d) No Transfer. – Funeral establishment permits are not transferable. A new application for a permit shall be made to the Board at least 30 days prior to a change of ownership of a funeral establishment occurring due to an acquisition or sale. A change to the legal structure owning a funeral establishment ~~shall constitute~~ constitutes 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. The death of an owner, partner, manager, member, operator, or officer holding a majority of the funeral establishment's ownership interests constitutes a change of ownership; ~~provided that the ownership. The estate of the decedent shall be permitted to~~ may submit a new application for a permit within 180 days following after the majority owner's death. ~~For the purposes of this subdivision, a funeral establishment means one or more structures on a contiguous piece of property."~~

SECTION 24. G.S. 90-210.27A(e), (f), (g), (i), and the last three sentences of G.S. 90-210.25(d)(1) are recodified as G.S. 90-210.25O(a), (b)(1), (c), (b)(2), and (d), respectively. G.S. 90-210.25O reads as rewritten:

"§ 90-210.25O. Ownership, naming, and management of funeral establishment.

(a) Ownership. – If a funeral establishment is solely owned by a natural person, that person must be licensed by the Board as a funeral director or a funeral service licensee. If it is owned by a partnership, at least one partner must be licensed by the Board as a funeral director or a funeral service licensee. If it is owned by a corporation, the president, vice-president, or ~~the chairman~~ chair of the board of directors must be licensed by the Board as a funeral director or a funeral service licensee. If it is owned by a limited liability company, at least one member must be licensed by the Board as a funeral director or a funeral service licensee. The licensee required by this subsection must be actively engaged in the operation of the funeral establishment. A provisional license to practice funeral directing pursuant to ~~G.S. 90-210.25(a)(3a)~~ G.S. 90-210.25E(b) does not qualify as a funeral director's license for the purposes of this subsection, ~~subsection (d) of G.S. 90-210.25, G.S. 90-210.25N,~~ or Article 13D of this Chapter.

(b) Establishment Name. – A funeral establishment must register the name under which it operates with the Board and shall not use any name other than its registered name. The name must comply with all of the following:

- (1) ~~If a funeral establishment uses the name includes~~ the name includes the name of a ~~living person in the name under which it does business, an individual, that person~~ individual must be licensed by the Board as a funeral director or ~~a~~ funeral service licensee. ~~licensee~~ licensee or must have been the licensee who met the requirements of subsection (a) or (d) of this section when the Board issued the establishment's initial permit.
- (2) ~~No funeral establishment shall use a misleading name. The name must not be misleading. Misleading names include, but are not limited to, include~~ names in the plural form when there is only one funeral establishment, the use of names of deceased individuals, establishment and the name of a deceased individual unless the establishment is licensed using the name at the time the

~~new application is made, the use of names of individuals not associated with the establishment, made. A person or entity licensed as a funeral establishment in compliance with this subdivision may apply for additional funeral establishment permits using the existing name.~~

- (3) ~~and the use of The name shall not use the words "crematory," "crematorium," or "crematory-cremation center" in the name of a funeral establishment that does not share a facility or other contiguous real property with a crematory licensee. If an owner of a funeral establishment owns more than one funeral establishment or chapel, the owner may not use the word "crematory," "crematorium," or "cremation center" in the name of more than one of its funeral establishments; except that each funeral home having a crematory licensee on the premises may contain the term "crematory," "crematorium," or "cremation center" in its name unless the funeral establishment shares a facility with or its premises are contiguous with a crematory licensed under Article 13F of this Chapter.~~

(c) ~~No Ancillary Entities. – A funeral establishment shall own, operate, or maintain that owns, operates, or maintains a branch funeral establishment establishment, embalming facility, or chapel without first having registered the must register its name, location, and ownership with the Board; or own or maintain a branch funeral establishment or chapel outside of Board. A branch funeral establishment, embalming facility, or chapel of a funeral establishment must be located within a radius of 50 miles in a straight line from the funeral establishment.~~

(d) ~~Manager. – Each funeral establishment shall have in charge a person, known as a manager, licensed for the practice of as a funeral directing director or funeral service, service licensee, who shall be permitted to may manage a principal funeral establishment and any branch funeral establishments establishments, embalming facilities, and chapels registered to it within a 50-mile radius in a straight line. The manager shall be charged with overseeing oversee the daily operation of the funeral establishment and any branch funeral establishments establishments, embalming facilities, and chapels registered to the principal funeral establishment. If the manager leaves the employment of the funeral establishment and is the only licensee employed who is eligible to serve as manager, the funeral establishment may operate without a manager for a period not to exceed 30 days so long as: (i) the funeral establishment retains one or more licensees to perform all services requiring a license under this Article and (ii) the funeral establishment registers the name of the licensees with the Board."~~

SECTION 25. G.S. 90-210.27A, as amended by Section 24 of this act, reads as rewritten:

"§ 90-210.27A. Funeral Operation of funeral establishments.

(a) ~~Every Preparation Room. – A funeral establishment establishment, other than a branch establishment, shall contain a preparation room which that is strictly private, private and of suitable size for the embalming of dead bodies. human remains. Each preparation room shall shall satisfy all of the following requirements:~~

- (1) Contain one standard type operating table.
- (2) Contain facilities for adequate drainage.
- (3) Contain sanitary receptacles for the storage of waste and soiled linens.
- (4) Contain an instrument sterilizer.
- (5) Have wall-to-wall floor covering of tile, concrete, or other material ~~which that~~ can be easily cleaned.
- (6) Be kept in sanitary condition and subject to inspection by the Board or its agents at all times.
- (7) Have a placard or sign on the door indicating that the preparation room is private.

- (8) Have a proper ventilation or purification system to maintain a nonhazardous level of airborne contamination.
- (9) Contain surgical gloves and clean smocks or gowns for use when embalming or otherwise preparing remains for disposition.
- (10) Contain identification tags for use in accordance with ~~G.S. 90-210.29A~~, G.S. 90-210.27C.

(a1) Temporary Exception. – If a funeral establishment is destroyed by fire, weather event, or other natural disaster, the Board may suspend the requirements of subsections (a) and (c) of this section, in part or whole, for a period not to exceed two years. To receive an extension of more than two years from the date of loss, the funeral establishment may petition a court of competent jurisdiction ~~who, that,~~ upon finding that granting the requested extension would not negatively affect the public health, safety, and welfare, may grant an additional extension not to exceed three years from the date of loss or one year from the date of the court's order, whichever is greater. In addition to remaining in compliance with all ~~applicable other State and local laws, rules, and regulations of the city or county where the funeral establishment is located,~~ a funeral establishment operating under a waiver or extension granted under this section shall do all of the following:

- (1) Comply with ~~all rules and regulations imposed on funeral establishments and the funeral profession designed to protect consumers, including the provisions of G.S. 90-210.25(d) and the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453, as amended.~~ 16 C.F.R. Part 453.
- (2) Maintain all of the licensee's business records at a location made known to the Board and available for inspection by the Board under the same terms and conditions as the business records of a funeral establishment.

(b) Limited Access. – No one is allowed in the preparation room while ~~a dead human body is human remains~~ are being prepared except licensees, resident trainees, public officials in the discharge of their duties, members of the medical profession, officials of the funeral home, next of kin, or ~~other legally authorized persons.~~ the person authorized, or a person designated in writing by the person authorized, to arrange final disposition under G.S. 130A-420.

(c) Every Reposing Room. – A funeral establishment shall contain a reposing room for ~~dead human bodies,~~ human remains that is of suitable size to accommodate a casket and visitors.

(d) Repealed by Session Laws 1997-399, s. 14.

(e) through (g) Recodified.

(h) Compliance. – All public health laws ~~and rules~~ apply to funeral establishments. In addition, all funeral establishments must comply with all of the standards established by the rules adopted by the Board.

(i) Recodified.

(j) ~~A funeral establishment will not use any name other than the name by which it is properly registered with the Board.~~

(k) Storage. – Human remains shall be stored in a funeral establishment, a licensed ~~erematory,~~ reduction facility, 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) ~~Funeral establishments and crematories~~ Refrigeration. – A funeral establishment or reduction facility shall refrigerate ~~a deceased body~~ unembalmed human remains at a temperature not greater than 40 degrees Fahrenheit unless final disposition will occur within 24 hours of the time that the funeral establishment or ~~erematory~~ reduction facility takes custody."

SECTION 26. The second paragraph of G.S. 90-210.25(e) following subdivision (2) of that subsection is recodified as G.S. 90-210.27B and reads as rewritten:

"§ 90-210.27B. Funeral establishment to ascertain desires regarding disposal of human remains.

No funeral establishment shall accept a ~~dead human body~~ human remains from ~~any a public officer (excluding the medical examiner), or employee or who is not a medical examiner, from a public employee,~~ from the official of ~~any an~~ institution, ~~hospital~~ hospital, or nursing home, or from a physician or ~~any a~~ person having a professional relationship with a ~~decedent,~~ decedent without having first made due inquiry as to the desires of the persons who have the legal authority to direct ~~the disposition of the decedent's body,~~ their disposition. If any persons are found, their authority and directions shall govern the disposal of the ~~remains of the decedent's body~~ human remains pursuant to G.S. 130A-420. ~~Any A~~ funeral establishment receiving ~~the human~~ remains in violation of this ~~subsection~~ section shall make no charge for any service in connection with the human remains prior to delivery of the human remains as stipulated by the persons having legal authority to direct the disposition of the ~~body,~~ human remains. This section ~~shall~~ does not prevent ~~any a~~ funeral establishment from charging and being reimbursed for services rendered in connection with the removal of ~~the remains of any deceased person~~ human remains in case of accidental or violent ~~death, and~~ death or from rendering necessary professional services required until the persons having legal authority to direct the disposition of the ~~body~~ human remains have been notified."

SECTION 27. G.S. 90-210.29A is recodified as G.S. 90-210.27C and reads as rewritten:

"§ 90-210.27C. Identification of bodies before burial or cremation-reduction.

Upon taking physical custody of a ~~dead human body,~~ any human remains, a licensee under this Article or Article 13F of this Chapter, or an authorized representative of a licensee, shall affix on the ankle or wrist of the decedent a durable tag permanently marked with the decedent's name and date of death. The licensee or the licensee's authorized representative, or the person otherwise responsible for the final disposition of a ~~dead human body~~ the human remains shall, ~~prior to~~ before the interment or entombment of the ~~dead body,~~ human remains, affix on the ankle or wrist of the ~~dead body,~~ decedent, or, if ~~cremated,~~ reduced, on the inside of the temporary container or urn containing the ~~remains of the dead body,~~ reduced human remains, a tag of durable, noncorroding material permanently marked with the name of the deceased, the date of death, the social security number of the deceased, the county and state of death, and the site of interment or entombment."

SECTION 28. The first paragraph of G.S. 90-210.25(e) following subdivision (2) of that subsection is recodified as G.S. 90-210.27D and reads as rewritten:

"§ 90-210.27D. Prohibitions concerning human remains.

(a) No person shall fail to treat human remains with respect at all times, and no person shall take a photograph or video recording of human remains without the consent of a member of the deceased's immediate family or next of kin or other authorizing agent.

(b) No licensee shall handle human remains in a manner inconsistent with G.S. 130A-395. No person licensed under this Article ~~licensee~~ shall remove or cause human remains to be embalmed a ~~dead human body~~ when he or she has information indicating crime or violence of any sort in connection with the cause of death, nor shall a ~~dead human body~~ be ~~cremated,~~ human remains be reduced until permission of the State or county medical examiner has first been obtained. ~~However, nothing~~ Nothing in this Article shall be construed to alter ~~alters~~ the duties and authority ~~now~~ vested in the Office of the Chief Medical Examiner."

SECTION 29. G.S. 90-210.25C is recodified as G.S. 90-210.27E.

SECTION 30. The last two paragraphs of G.S. 90-210.25(e) are recodified as G.S. 90-210.27F and read as rewritten:

"§ 90-210.27F. Disclosure of prices for funeral merchandise and services.

(a) ~~When and where~~ Prices. – When a licensee presents a selection of funeral merchandise to the public to be used in connection with the service to be provided by the licensee or by a funeral ~~establishment as licensed under this Article,~~ establishment, a card or brochure shall be directly associated with each item of merchandise setting forth the price of the service

using ~~said the~~ merchandise and listing ~~the any~~ services and other merchandise included in the price, if any. ~~When price.~~ If there are separate prices for the merchandise and services, ~~such the~~ cards or brochures shall indicate the price of the merchandise and of the items separately priced.

(b) Statement. – At the time funeral arrangements are made and ~~prior to the time of before~~ rendering the service and providing the merchandise, a funeral director or funeral service licensee shall give or cause to be given to the person ~~or persons~~ making ~~such the~~ arrangements a written statement ~~duly signed~~ by a licensee of ~~said the~~ funeral establishment showing the price of the service ~~as selected and what selected, the services that are included therein, included,~~ the price of each of the supplemental items of services or merchandise requested, and the amounts involved for each of the items for which the funeral establishment will advance moneys as an accommodation to the person making arrangements, ~~insofar as to the extent that any of the above~~ these items can be specified at that time. If fees charged by a finance company for expediting payment of life insurance proceeds to the establishment will be passed on to the person ~~or persons~~ responsible for payment of the funeral expenses, information regarding the fees, including ~~the their~~ total dollar amount of the fee, ~~amount,~~ shall be disclosed in writing. The statement shall have printed, ~~typed typed,~~ or stamped on the face a disclosure indicating that the statement is provided pursuant to the requirements of ~~G.S. 90-210.25(e).~~ this section. The Board may prescribe other disclosures that a licensee shall give to consumers upon finding that the disclosure is necessary to protect public health, safety, and welfare."

SECTION 31. G.S. 90-210.25(e1) is recodified as G.S. 90-210.27G and reads as rewritten:

"§ 90-210.27G. Prohibitions on taking human tissue.

(a) ~~{Taking of Tissue Prohibited.}~~ No Taking Tissue. – The taking or recovery of human tissue at a facility licensed pursuant to ~~Article 13A or this Article or Article 13F~~ of this Chapter by any person for any reason is prohibited. The prohibition does not apply to any of the following:

- (1) A licensee under this Article that performs embalming or otherwise prepares ~~a dead human body~~ human remains in the ordinary course of business.
- (2) The Chief Medical Examiner or anyone acting under the Chief Medical Examiner's authority.
- (3) An autopsy technician who takes or recovers tissue from ~~a dead human body~~ human remains if all of the following apply:
 - a. The taking or recovery is the subject of an academic research program.
 - b. The academic research program has appropriate Institutional Review Board supervision.
 - c. The academic research program has obtained informed consent of the donor or the person ~~legally~~ authorized to provide consent.

(b) ~~No licensee under Article 13A or 13F of this Chapter shall permit the taking or recovery of human tissue from a dead human body in its custody or control for human transplantation purposes or for research purposes, except that a funeral establishment or person licensed under this Article may permit an autopsy technician to take or recover tissue at a funeral establishment pursuant to subdivision (3) of this subsection.~~ No Compensation for Referrals. – No licensee facility licensed under Article 13A or 13F this Article or Article 13F of this Chapter or any of its licensees, agents, or employees shall accept, solicit, or offer to accept any payment, gratuity, commission, or compensation of any kind for referring potential tissue donors donors, other than eye donors, to a tissue bank or tissue broker or to an eye bank or eye broker. ~~For purposes of this subsection, the term "tissue" does not include an eye."~~

SECTION 32. G.S. 90-210.25(c)(7)a., b., c., and e. are recodified as G.S. 90-210.27H(a)(1), (3), (4), and (2), respectively. G.S. 90-210.27H reads as rewritten:

"§ 90-210.27H. Individual permit for transportation and removal of human remains.

(a) Qualifications. – An individual shall not engage in the transportation or removal of human remains unless the individual has a transportation and removal permit issued by the Board. An application for a transportation and removal permit must meet the following qualifications:

- (1) Be at least 18 years of age.
- (2) Be of good moral character.
- (3) Possess ~~and maintain a valid~~ drivers license issued by this State and provide proof of ~~all the required liability insurance required for the registration of for~~ any vehicle ~~in which the person the applicant owns and intends to use to~~ engage in the ~~business of the removal or transportation of a dead human body transportation or removal of human remains.~~
- (4) ~~Affirmatively state under oath that the person has~~ Have read and understands ~~understood~~ the statutes and rules relating to the transportation and removal and transportation of dead human bodies of human remains and any guidelines ~~as may be adopted by the Board.~~

(b) Requirements. – An individual who holds a transportation and removal permit must comply with both of the following:

- (1) Notify the Board of any change in the individual's address within 30 days of the change.
- (2) Before working for more than one business that has a transportation and removal service permit issued by the Board, notify the Board in writing of the name and physical address of each of the businesses."

SECTION 33. Article 13A of Chapter 90 of the General Statutes is amended by adding a new section to read:

"§ 90-210.27I. Business permit for transportation and removal of human remains.

A business entity shall not engage in the transportation or removal of human remains unless the business has a transportation and removal service permit issued by the Board. In conducting its business, a person that has a transportation and removal service permit must comply with all of the following:

- (1) Notify the Board of the name and home address of each individual the person employs for the transportation and removal of human remains.
- (2) Notify the Board of the make, year, model, and vehicle registration of each vehicle the person uses in the transportation and removal of human remains.
- (3) Conspicuously display its permit in all vehicles used for the transportation or removal of human remains.
- (4) Keep in its employ at all times at least one individual who holds a transportation and removal permit.
- (5) Obtain and maintain a professional liability insurance policy that has a liability limit of at least five hundred thousand dollars (\$500,000) and specifies the individuals covered by the policy. The person must submit the required certificate of liability insurance to the Board within 30 days of receiving a permit and each year when the person renews its permit.
- (6) Notify the Board of any change in the information required by this section within 30 days of the change. Changes requiring notification include a change in the insurer issuing the policy required under subdivision (5) of this section or of the suspension or cancellation of that policy."

SECTION 34. G.S. 90-210.25(c)(5) is recodified as G.S. 90-210.27J and reads as rewritten:

"§ 90-210.27J. Exemptions to permit requirements for the transportation or removal of human remains.

The following persons shall be exempt from the Exemptions. – The permit requirements of this section but shall otherwise be subject to subdivision (9) of this subsection and any rules

relating to the proper handling, care, removal, or transportation of a dead human body: G.S. 90-210.27H and G.S. 90-210.27I do not apply to the following:

- (1) ~~Licenses-Individuals licensed under Articles 13A and this Article or Article 13F of this Chapter and their employees.~~Chapter.
- (2) Employees of common carriers.
- (3) ~~Except as provided in sub-subdivision (6)c. of this section, employees~~ Employees of the State and its agencies and employees of local governments and their ~~ageneies-agencies, while acting within the scope of their employment.~~
- (4) Funeral directors, embalmers, or funeral service licensees licensed in another state and their employees.
- (5) Funeral establishments issued permits under this Article or reduction licensees licensed under Article 13F of this Chapter.
- (6) Individuals exempt under G.S. 90-210.27K(b) from the prohibitions on transporting or removing human remains."

SECTION 35. G.S. 90-210.25(c)(6) and (c)(9) are recodified as G.S. 90-210.27K(b) and (a), respectively. G.S. 90-210.27K reads as rewritten:

"§ 90-210.27K. Prohibitions when transporting or removing human remains.

(a) Prohibitions. – No person shall transport ~~a dead human body or remove human remains~~ in the open cargo area or passenger area of a vehicle or in ~~any a~~ vehicle in which the body human remains may be viewed by the public. ~~Any A~~ person transporting or removing or transporting a dead human body human remains shall ~~either cover~~ do one of the following:

- (1) Cover the body, place it upon a stretcher designed for the purpose of transporting humans or ~~dead human bodies human remains~~ in a vehicle, and secure ~~such the~~ stretcher in the vehicle used for ~~transportation, or shall transportation.~~
- (2) ~~enclose~~ Enclose the body human remains in a casket or container designed for common carrier ~~transportation, transportation~~ and secure the casket or container in the vehicle used for transportation. ~~No person shall fail to treat a dead human body with respect at all times. No person shall take a photograph or video recording of a dead human body without the consent of a member of the deceased's immediate family or next of kin or other authorizing agent.~~

(b) Exemptions. – The following persons ~~shall be are~~ exempt from this section:

- (1) Emergency medical technicians, rescue squad workers, volunteer and paid ~~firemen, firefighters,~~ and law enforcement officers while acting within the scope of their employment.
- (2) Employees of public or private hospitals, nursing homes, or long-term care facilities, while handling ~~a dead human body human remains~~ within ~~such the~~ facility or while acting within the scope of their employment.
- (3) State and county medical examiners and their investigators.
- (4) ~~Any An~~ individual transporting ~~eremated-reduced~~ human remains.
- (5) ~~Any An~~ individual transporting or removing ~~a dead human body the human remains of their his or her~~ immediate family or next of kin."

SECTION 36. Article 13A of Chapter 90 of the General Statutes is amended by adding a new section to read:

"§ 90-210.27L. Issuance and display of licenses, permits, and certificates.

(a) Issuance. – The Board must affix the Board's seal to each license issued to a funeral service licensee, funeral director, or embalmer, and the president and secretary of the Board must sign each license. The Board must issue a permit certificate for a business permit issued under this Article or Article 13D or 13F of this Chapter.

(b) Display. – A funeral establishment must conspicuously display its funeral establishment permit and the licenses of each funeral service licensee, funeral director, and embalmer who provides services at the funeral establishment. A business that has a transportation and removal service permit must conspicuously display the permit in each vehicle used in that business to transport or remove human remains."

SECTION 37. G.S. 90-210.25(a)(5)b. is recodified as G.S. 90-210.27M(c). G.S. 90-210.27M reads as rewritten:

"§ 90-210.27M. Expiration and renewal of licenses and permits.

(a) Expiration and Renewal Application. – A license or permit issued under this Article expires on December 31 of each year. The holder of a license or permit must submit an application to renew the license or permit on a form provided by the Board and must pay the applicable renewal fee. An application for renewal of a funeral establishment permit must be submitted by the manager of the establishment or, if the establishment is temporarily operating without a manager in accordance with G.S. 90-210.25O(b), by an individual who has an ownership interest in the establishment or is an officer of an entity that has an ownership interest in the establishment. The expiration date may be changed by unanimous consent of the Board and upon 90 days' written notice of the change to all persons that have a license or permit issued under this Article.

(b) Deadline for License Renewal. – An application for renewal of a license must be received by the Board by February 1 following expiration of the license. A person who does not submit a renewal application by this deadline is considered to have forfeited the license as of the deadline. The Board shall not accept an application for renewal of a license received after the deadline.

(c) Reinstatement After License Forfeiture. – The holder of ~~any~~ a license issued by the Board who ~~shall fail~~ fails to renew the same on or ~~it~~ before February 1 of the calendar year for which the license is to be renewed shall have forfeited and surrendered after it expires may ask the Board to reinstate the license as of that date. No license forfeited or surrendered pursuant to the preceding sentence shall be reinstated by the Board unless it is shown to the Board that the date of forfeiture. The Board must reinstate the forfeited license if the Board finds that either of the following applies:

- (1) The applicant has, throughout the period of forfeiture, engaged full time in another state of the United States or the District of Columbia in the practice to which the applicant's North Carolina license applies and has completed for each ~~such~~ year of the period of forfeiture continuing education substantially equivalent ~~in the opinion of the Board~~ to that required of North Carolina licensees; ~~or licensees.~~
- (2) The applicant has completed in North Carolina a total number of hours of accredited continuing education computed by multiplying five times the number of years of forfeiture.

~~No~~ When reinstating a license under this subsection, no additional resident traineeship shall be is required. The An applicant shall be required to whose license is reinstated under this subsection must pay all delinquent annual renewal fees incurred for all years since expiration of licensure and a reinstatement fee set forth in G.S. 90-210.28. The Board may waive the provisions requirements of this section-subsection for an applicant for a whose forfeiture which occurred during the applicant's service in the Armed Forces of the United States provided if the applicant applies within six months following severance therefrom from the Armed Forces.

(d) Deadline for Permit Renewal. – An application for renewal of a permit must be received by the Board by June 30 following expiration of the permit. The Board shall not accept an application for renewal of a permit received after the deadline. If the Board receives an application for renewal of a permit after February 1 but before July 1, the application is subject to a late renewal fee in addition to the regular renewal fee."

SECTION 38. G.S. 90-210.28 reads as rewritten:

"§ 90-210.28. Fees.

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

Funeral Establishment and Branch Funeral Establishment permit		
Application.....	\$400.00	
Annual renewal	250.00	
Late renewal	150.00	
Establishment and embalming facility reinspection fee..... 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 <u>North</u> Carolina-Resident.....	200.00	
Non-Resident <u>Non-Resident</u>	250.00	
Annual Renewal		
Embalmer <u>Embalmer</u> or funeral director	75.00	
Total fee, embalmer and funeral director		
when both are held by the same person		100.00
funeral <u>Funeral</u> 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	
<u>Transportation or removal permit</u>		
<u>Application (individual).....</u>	<u>200.00</u>	
<u>Application (business).....</u>	<u>300.00</u>	
<u>Annual renewal.....</u>	<u>75.00</u>	
<u>Late renewal.....</u>	<u>100.00</u>	
Chapel registration		
Application.....	150.00	
Annual renewal	100.00	
Late renewal	75.00	
<u>Continuing education course</u>		
<u>Registration.....</u>	<u>50.00</u>	
<u>Work report</u>		
<u>Late fee.....</u>	<u>50.00</u>	

~~The Board shall cause to be published the current statutes and rules related to the practice of funeral service on its website.~~

(b) The following fees apply to a provisional license to practice funeral directing:

<u>Application.....</u>	<u>\$500.00</u>
<u>Annual renewal.....</u>	<u>250.00"</u>

SECTION 39. G.S. 90-210.25(e)(1), except for the last paragraph, is recodified as G.S. 90-210.28A(a). The last paragraph of G.S. 90-210.25(c)(14) is recodified as G.S. 90-210.28A(b). G.S. 90-210.28A reads as rewritten:

"§ 90-210.28A. Grounds to refuse to issue or renew a license or permit or to take disciplinary action.

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

- (1) Conviction of, or plea of guilty or nolo contendere to, a felony or misdemeanor that indicates that the individual is unfit or incompetent to engage in funeral service or that the individual has deceived or defrauded the public.
- (2) Denial, suspension, or revocation of an occupational or business license by another jurisdiction.
- (3) Fraud or misrepresentation in obtaining or renewing a license ~~or permit~~ or in the practice of funeral service or operation of ~~a~~ ~~the licensee's~~ ~~or permit holder's~~ business.
- (4) False or misleading advertising as the holder of a ~~license~~ ~~license or permit~~.
- (5) Solicitation of ~~dead human bodies~~ ~~human remains~~ by the licensee, ~~his individual, or the individual's~~ agents, assistants, or employees; ~~but this paragraph shall not be construed to~~ ~~employees.~~ This subdivision does not prohibit general advertising by the licensee. ~~licensee or permit holder.~~
- (6) Employment directly or indirectly of ~~any~~ ~~a~~ resident trainee agent, ~~assistant assistant,~~ or other person, on a part-time or full-time basis, or on commission, for the purpose of calling upon individuals or institutions by whose influence ~~dead human bodies~~ ~~human remains~~ may be turned over to a particular licensee. ~~licensee or permit holder.~~
- (7) The payment or offer of payment of a commission by the licensee, ~~his individual, or the individual's~~ agents, ~~assistants~~ ~~assistants,~~ or employees ~~employees,~~ for the purpose of securing business except as authorized by Article 13D of this Chapter.
- (8) Acts or omissions indicating that the ~~permittee~~ ~~individual~~ is unable to engage in funeral service with reasonable skill and safety by reason of illness, excessive use of alcohol, drugs, chemicals, or any other type of substance, or by reason of any physical or mental ~~abnormality~~ ~~disability.~~
- (9) Aiding or abetting ~~an unlicensed~~ ~~a~~ person ~~who does not hold a license or permit~~ to perform services under this Article, including the use of a picture or name in connection with advertisements or other written material published or caused to be published by the licensee. ~~licensee or permit holder.~~
- (10) Failure to treat ~~a dead human body~~ ~~human remains~~ with respect at all times.
- (11) Violation ~~of~~ or cooperation with others to violate any of the provisions of this Article or Articles 13D, 13E, or 13F of this Chapter, any rules ~~and regulations~~ of the Board, or the standards set forth in Funeral Industry Practices, ~~16 C.F.R. 453 (1984), as amended from time to time.~~ 16 C.F.R. Part 453.
- (12) Violation of any State law or municipal or county ordinance or regulation affecting the handling, custody, ~~care~~ ~~care,~~ or transportation of ~~dead human bodies~~ ~~human remains.~~
- (13) Refusing to surrender promptly the custody of ~~a dead human body or cremated remains~~ ~~human remains,~~ including reduced human remains, upon the express order of the person ~~lawfully entitled to the~~ ~~eustody thereof.~~ their custody.
- (14) Knowingly making any false statement on a certificate of death or violating or cooperating with others to violate any provision of Article 4 or 16 of

Chapter 130A of the General Statutes or any rules ~~or regulations promulgated under those Articles as amended from time to time~~ adopted under those Articles.

- (15) Indecent exposure or exhibition of a ~~dead human body~~ human remains while in the custody or control of a ~~licensee~~ licensee or permit holder.
- (16) Failure to refund any insurance proceeds received as consideration in excess of the funeral contract purchase price within 30 days of ~~receipt; provided, however, that this provision shall not be construed to include receipt.~~ This subdivision does not apply to interest or growth on funds paid toward funeral goods and services to be provided pursuant to an inflation-proof preneed contract.
- (17) Failure to provide, within a reasonable time, either the goods and services contracted for or a refund for the price of goods and services paid for but not fulfilled.
- (18) Violation of G.S. 58-58-97.
- (19) Failure to respond to the Board's inquiries in a reasonable manner or time regarding any matter affecting the individual's performance of funeral services.
- (20) Failure to adequately supervise or oversee auxiliary licensed or unlicensed staff, employees, agents, or contractors as required by this Article or Articles 13D, 13E, or 13F of this Chapter, any rules ~~and regulations~~ adopted by the Board, or the standards set forth in Funeral Industry Practices, 16 C.F.R. § 453 (1984), as amended, 16 C.F.R. Part 453.
- (21) Knowingly failing to follow the lawful direction of the person ~~or persons~~ with the right to authorize disposition of a ~~dead human body~~ human remains in accordance with G.S. 130A-420.
- (22) Practicing funeral service, funeral directing, or embalming without a license.

(b) Length and Conditions. – The Board shall have the authority to ~~may~~ determine the length and conditions of any period of revocation, suspension, or refusal to issue or renew, ~~or probation~~ renew a license or permit. The Board may require satisfactory completion of remedial or educational training as a prerequisite to license or permit reinstatement."

SECTION 40. The last paragraph of G.S. 90-210.25(e)(1) is recodified as G.S. 90-210.28B(a). G.S. 90-210.28B reads as rewritten:

"§ 90-210.28B. Penalties.

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

(b) Fund. – The clear proceeds of civil penalties imposed under this Article shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

SECTION 41. G.S. 90-210.25(e)(2) is recodified as G.S. 90-210.28C and reads as rewritten:

"§ 90-210.28C. Probation.

~~Where~~ When the Board finds that a licensee or permit holder is guilty of one or more of the acts or omissions listed in ~~subdivision (e)(1) of this section~~ G.S. 90-210.28A but it is determined ~~by the Board that the licensee has not thereby become unfit to practice,~~ the Board may place the licensee or permit holder on a term of probation in accordance with the procedures set out in Chapter 150B of the General Statutes. ~~In any case in which~~ If the Board is entitled to place a licensee or permit holder on a term of probation, the Board may also impose a civil penalty of not more than five thousand dollars (\$5,000) in conjunction with the probation. ~~The Board may~~

~~also require satisfactory completion of remedial or educational training as a prerequisite to license reinstatement or for completing the term of probation. The Board shall have the authority to may determine the length and conditions of any period of suspension, revocation, probation, or refusal to issue or renew a license. probation."~~

SECTION 42. G.S. 90-210.25(d)(4) is recodified as G.S. 90-210.28D and reads as rewritten:

"§ 90-210.28D. Disciplinary action against business permit holder.

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

SECTION 43. G.S. 90-210.25(a)(5)h. is recodified as G.S. 90-210.28E and reads as rewritten:

"§ 90-210.28E. Procedure for criminal history background check.

(a) ~~All applicants for licensure, including any owner, partner, manager, member, operator, or officer of a business entity applying for licensure under this Article, shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant. The Board shall ensure that the State and national criminal history is checked for any an applicant applying for initial licensure or for reinstatement of licensure, if such the licensure has been expired for three or more years. The Department of Public Safety may provide a criminal record check to the Board for a person who has applied for a new or renewal license, or certification license through the Board; provided, however, that the Board. The Board and the applicant may consent to the use of a criminal background check vendor other than the Department of Public Safety, the cost of which shall be paid by the applicant.~~

(b) If the Department of Public Safety performs the criminal background check, the Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this section.

(c) The Board shall keep all information obtained pursuant to this ~~subdivision section~~ privileged, in accordance with ~~applicable State law and federal guidelines, and federal law,~~ and the information ~~shall be is~~ confidential and ~~shall not be is not~~ a public record under Chapter 132

of the General Statutes. The ~~Board,~~ Board and its officers and employees, acting in good faith and in compliance with this section, ~~shall be~~ are immune from civil liability for denying licensure to an applicant based on information provided in the applicant's criminal history record check.

~~The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subdivision."~~

SECTION 44. G.S. 90-210.29C reads as rewritten:

"§ 90-210.29C. Unlawful sale of embalming fluid. Misdemeanors and felonies.

(a) ~~Offense.~~— It is unlawful for a funeral director, embalmer, or resident trainee to knowingly give, sell, permit to be sold, offer for sale, or display for sale, other than for purposes within the general scope of their activities as a funeral director, embalmer, or resident trainee, embalming fluid to another person with actual knowledge that the person is not a funeral director, embalmer, or resident trainee.

(b) ~~Punishment.~~— A person who violates subsection (a) of this section is guilty of a Class I felony, including a fine of not less than one hundred dollars (\$100.00) and not more than five hundred dollars (\$500.00).

(a) Practicing Without Authorization. – A person who holds himself or herself out as practicing as a funeral service licensee, a funeral director, or an embalmer or as operating a funeral establishment without having complied with this Article commits a Class 2 misdemeanor. A person who holds himself or herself out as engaging in the business of the transportation or removal of human remains without having complied with this Article commits a Class 2 misdemeanor.

(b) Abusing Human Remains. – A person who knowingly or willfully abuses or mutilates human remains in the person's custody commits a Class 2 misdemeanor. It is not a violation of this subsection for a person licensed under this Article as a funeral service licensee or an embalmer to embalm human remains consistent with techniques of embalming generally recognized by funeral service licensees or embalmers. It is not a violation of this subsection for a person licensed under this Article as a funeral service licensee or a funeral director to exhibit human remains consistent with instructions from the person authorized to dispose of the human remains.

(c) Selling Embalming Fluid. – It is unlawful for a funeral director, embalmer, or resident trainee to knowingly give, sell, allow to be sold, offer for sale, or display for sale, other than for purposes within the general scope of their activities as a funeral director, embalmer, or resident trainee, embalming fluid to another person with actual knowledge that the person is not a funeral director, embalmer, or resident trainee. A person who violates this subsection commits a Class I felony and is punishable by imprisonment and a fine of not less than one hundred dollars (\$100.00) and not more than five hundred dollars (\$500.00)."

SECTION 45. All provisions of G.S. 90-210.25 that are not enacted or recodified by this act are repealed.

SECTION 46. Article 13D of Chapter 90 of the General Statutes reads as rewritten:

"Article 13D.

"Preneed Funeral Funds.

"§ 90-210.60. Definitions.

~~As used in this Article, unless the context requires otherwise:~~ The following definitions and the definitions of Article 13A of this Chapter apply in this Article:

- (1) Board. – The North Carolina Board of Funeral Service as created pursuant to Article 13A of ~~Chapter 90 of the General Statutes.~~ this Chapter.
- (1a) Cash advance item. – Any item obtained from a third party and paid for by the funeral provider on the purchaser's behalf. Cash advance items may include, but are not limited to, sales tax, certified copies of death certificates, clergy honoraria, flowers, musicians or singers, obituary notices, and gratuities.

- (2) Financial institution. – A bank, credit union, trust company, savings bank, or savings and loan association authorized by law to do business in this State.
- (3) Insurance company. – ~~Any~~A corporation, limited liability company, association, partnership, society, order, ~~individual~~individual, or aggregation of individuals engaging in or proposing or attempting to engage as principals in any kind of insurance business, including the exchanging of reciprocal or interinsurance contracts between individuals, partnerships, and corporations.
- (3a) Legal representative. –The person authorized by G.S. 130A-420 who would be otherwise authorized to dispose of the remains of the preneed funeral contract beneficiary.
- (4) Prearrangement insurance policy. – A life insurance policy, annuity contract, or other insurance contract, or any series of contracts or agreements in any form or manner, issued by an insurance company authorized by law to do business in this State, ~~which~~that, whether by assignment or otherwise, has for a purpose the funding of a preneed funeral contract or an insurance-funded funeral or burial prearrangement, the insured or annuitant being the person for whose service the funds were paid.
- (5) Preneed funeral contract. – ~~Any~~A contract, agreement, or mutual understanding, or any series or combination of contracts, agreements, or mutual understandings, whether funded by trust deposits or prearrangement insurance policies, or any combination thereof, ~~which~~that has for a purpose the furnishing or performance of funeral services, or the furnishing or delivery of personal property, merchandise, or services of any nature in connection with the final disposition of a ~~dead human body~~person's human remains, to be furnished or delivered at a time determinable by the death of the ~~person whose body is to be disposed of~~person. The term does not mean the furnishing of a cemetery lot, crypt, niche, mausoleum, outer burial containers, or pre-installed interment receptacle sold by a cemetery that is regulated by the Cemetery Commission. The term does not include a transportation protection agreement.
- (6) Preneed funeral contract beneficiary. – The person upon whose death the preneed funeral contract will be performed; this person may also be the purchaser of the preneed funeral contract.
- (7) Preneed funeral funds. – All payments of cash made to ~~any~~a person, partnership, association, corporation, or other entity upon any preneed funeral contract or any other agreement, contract, or prearrangement insurance policy, or any series or combination of preneed funeral contracts or any other agreements, contracts, or prearrangement insurance policies, but excluding the furnishing of cemetery lots, crypts, niches, mausoleums, outer burial containers, or pre-installed interment receptacles sold by a cemetery regulated by the Cemetery Commission, ~~which~~that have for a purpose or ~~which~~that by operation provide for the furnishing or performance of funeral or burial services, or the furnishing or delivery of personal property, merchandise, or services of any nature in connection with the final disposition of a ~~dead human body~~human remains, to be furnished or delivered at a time determinable by the death of the person whose ~~body is~~human remains are to be disposed of, or the providing of the proceeds of ~~any~~an insurance policy for ~~such~~this use.
- (8) Preneed funeral planning. – Offering to sell or selling preneed funeral contracts, or making other arrangements ~~prior to~~before death for the providing of funeral services or merchandise.

- (9) Preneed licensee. – A funeral establishment ~~which~~ that has applied for and has been granted a license to sell preneed funeral contracts under ~~the~~ this Article. ~~Such~~ This license is also referred to in this Article as a "preneed funeral establishment license" or "preneed funeral establishment permit."
- (10) Transportation protection agreement. – An agreement, sold separately from a preneed funeral contract, that primarily provides for the coordination and arranging of all professional services related to the preparation of human remains or ~~cremated~~ reduced human remains for the purpose of initial and subsequent transportation of those remains.

"§ 90-210.61. Deposit or application of preneed funeral funds.

(a) Preneed funeral funds are subject to ~~the provisions of~~ this Article and shall be deposited or applied as follows:

- (1) If the preneed funeral contract purchaser chooses to fund the preneed funeral contract by a trust ~~deposit or deposits,~~ deposit, the preneed licensee shall deposit all funds in an insured account in a financial institution, in trust, in the preneed licensee's name as trustee within five business days. The preneed licensee, at the time of making the deposit as trustee, shall furnish to the financial institution the name of each preneed funeral contract purchaser and the amount of payment on each preneed funeral contract for which the deposit is being made. The preneed licensee may establish an individual trust fund for each preneed funeral contract or a common trust fund for all preneed funeral contracts. The trust accounts shall be carried in the name of the preneed licensee as trustee, but accounting records shall be maintained for each ~~individual~~ preneed funeral contract purchaser showing the amounts deposited and invested, and interest, dividends, increases, and accretions earned. Except as provided in this Article, all interest, dividends, increases, or accretions earned by the funds shall remain with the principal. The trust fund may be charged with applicable taxes and for reasonable charges paid by the trustee to itself or others for the preparation of fiduciary tax returns. Penalties charged by a financial institution for early withdrawals caused by a transfer pursuant to G.S. 90-210.63 shall be paid by the preneed licensee. Penalties charged as a result of other early withdrawals as ~~permitted~~ allowed by this Article shall be paid from the trust fund, and the financial institution shall give the preneed funeral contract purchaser prompt notice of these penalties.
- (2) Notwithstanding any other provision of law, if a preneed funeral contract is funded by a trust ~~deposit or trust deposits,~~ deposit, a preneed licensee may retain, free of the trust, up to ten percent (10%) of any payments made on a preneed funeral contract, ~~provided that so long as~~ the preneed licensee fully discloses in writing in advance to the preneed funeral contract purchaser the percentage of the payments to be retained. If there is no substitution pursuant to G.S. 90-210.63(a), the preneed licensee shall give credit for the amount retained upon the death of the preneed funeral contract beneficiary and performance of the preneed funeral contract.
- (3) If the preneed funeral contract purchaser chooses to fund the contract by a prearrangement insurance policy, the preneed licensee shall apply all funds received for this purpose to the purchase of the prearrangement insurance policy within five business days. The preneed licensee shall notify the insurance company of the name of each preneed funeral contract purchaser and the amount of each payment when the prearrangement insurance policy ~~or policies are~~ is purchased.

(b) Except as provided by this Article or by the preneed funeral contract, all payments made by the purchaser of a preneed funeral contract or prearrangement insurance policy shall remain trust funds within a financial institution or as paid insurance premiums with an insurance company, as the case may be, until the death of the preneed funeral contract beneficiary and until full performance of the preneed funeral contract.

(c) Each preneed licensee may establish and maintain with a financial institution of its ~~choice,~~ choice a preneed funeral fund clearing account. Preneed funeral funds received by a preneed licensee may be deposited and held in ~~such an~~ this account until disbursed by the preneed licensee to fund a preneed funeral contract pursuant to subdivisions (a)(1) or (a)(3) of this section. This account shall be used solely for the receipt and disbursement of preneed funeral funds.

(d) Funds deposited in trust under a revocable or irrevocable preneed funeral contract may, with the written permission of the preneed funeral contract purchaser, be withdrawn by the trustee and used to purchase a prearrangement insurance policy. Within 10 days after the purchase of the prearrangement insurance policy, the preneed licensee shall notify the Board, in writing, of the name and address of the insurance company and any other information deemed necessary by the Board. Nothing in this subsection ~~shall be construed to permit~~ permits the revocation of an irrevocable preneed funeral ~~contract~~ contract, and all funds withdrawn from trust pursuant to this subsection shall be applied to the purchase of a prearrangement insurance policy.

(e) Except as provided by ~~G.S. 90-210.61(e),~~ subsection (c) of this section, at no time before making a deposit or purchasing a prearrangement insurance policy ~~may~~ shall a preneed licensee, or its agents or employees, deposit in its own account or the account of any other person any ~~monies coming into its hands for the purpose of~~ funds whose purpose is purchasing services, merchandise, or prearrangement insurance policies under ~~the provisions of~~ this Article.

...

"§ 90-210.67. Application for license.

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

Application for a license shall be in writing, signed by the ~~applicant~~ applicant, and ~~duly~~ verified on forms furnished by the Board. Each application shall contain at least the following:

the full names and ~~addresses (both residence and place of business)~~ addresses, both residential and business, of the ~~applicant, applicant~~ and every partner, member, ~~officer-officer,~~ and director ~~thereof~~ thereof, if the applicant is a partnership, limited liability company, association, or ~~corporation~~ corporation, and any other information as ~~the Board shall deem necessary.~~ deemed necessary by the Board. A preneed funeral establishment license ~~shall be~~ is valid only at the address stated in the application or at a new address approved by the Board.

(b) An application for a preneed funeral establishment license shall be accompanied by a nonrefundable application fee of not more than four hundred dollars (\$400.00). The Board shall set the amounts of the application fees and renewal ~~fees,~~ fees by rule.

If the license is granted, the application fee shall be applied to the annual license fee for the first year or part thereof. Upon receipt of the application and payment of the application fee, the Board shall issue a renewable preneed funeral establishment license unless it determines that the applicant has violated ~~any provision of G.S. 90-210.69(e) or G.S. 90-210.69(c),~~ has made false statements or representations in the application, ~~or~~ is insolvent, ~~or~~ has conducted or is about to ~~conduct,~~ conduct its business in a fraudulent manner, or is not ~~duly~~ authorized to transact business in this State. The license ~~shall expire~~ expires on December 31 and each preneed funeral establishment licensee shall pay annually to the Board on or before that date a license renewal fee of not more than two hundred fifty dollars (\$250.00). After February 1, a license may be renewed by paying a late fee of not more than one hundred dollars (\$100.00) in addition to the annual renewal fee. Preneed funeral establishment permits that remain expired six months or more ~~cannot~~ shall not be renewed, and establishments must reapply for licensure pursuant to this subsection.

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

(c) An application for a preneed sales license shall be accompanied by a nonrefundable application fee of not more than fifty dollars (\$50.00). The Board shall set the amounts of the application fees and renewal fees by rule, but the fees shall not exceed fifty dollars (\$50.00). If the license is granted, the application fee shall be applied to the annual license fee for the first year or part thereof. Upon receipt of the application and payment of the application fee, the Board shall issue a renewable preneed sales license ~~provided so long as~~ the applicant has met the qualifications to engage in preneed funeral planning as established by the Board ~~unless it determines that the applicant has and has not violated any provision of G.S. 90-210.69(c).~~ The license ~~shall expire~~ expires on December 31 and each preneed sales licensee shall pay annually to the Board on or before that date a license renewal fee of not more than fifty dollars (\$50.00). After February 1, a license may be renewed by paying a late fee of not more than twenty-five dollars (\$25.00) in addition to the annual renewal fee.

(d) ~~Any~~ A 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 dollars (\$20.00) 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)~~, G.S. 166A-19.3, 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~~ after the date of the sale.

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

(e), (f) Repealed by Session Laws 2003-420, s. 14, effective October 1, 2003.

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

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

(a1) On or before March 31 of each year, each preneed licensee shall prepare and submit an annual report on its preneed funeral contract sales during the previous calendar ~~year, to include~~ year that includes the total number, status, and type of each preneed contract for which the preneed licensee serves as trustee, the total year-end balance of each contract, and the status of each preneed contract. The preneed licensee shall submit the report to the Board in a manner and form prescribed by the Board. The Board may also require other reports.

(b) A preneed licensee may transfer preneed funds held by it as trustee from the financial institution ~~which that~~ is a party to a preneed funeral contract to a substitute financial institution that is not a party to the contract. Within 10 days after the transfer, the preneed licensee shall notify the Board, in writing, of the name and address of the ~~transferee~~ substitute financial institution. ~~Before the transfer may be made, the transferee financial institution shall agree to make disclosures required under the preneed funeral contract to the Board or its inspectors or examiners.~~ institution and any other information deemed necessary by the Board. If the contract is revocable, before transferring trust funds to the substitute financial institution, the licensee shall notify the ~~contracting party~~ preneed contract purchaser or, if the preneed contract purchaser is deceased, the preneed contract beneficiary of the intended transfer.

(c) If ~~any~~ a preneed licensee transfers or assigns its assets or stock to a successor funeral establishment or terminates its business as a funeral establishment, the preneed licensee and assignee shall notify the Board at least 30 days ~~prior to~~ before the effective date of the transfer, ~~assignment~~ assignment, or ~~termination;~~ provided, however, the termination. The successor funeral establishment must be a preneed licensee in good standing with the Board or shall be required to apply for and be granted ~~such~~ this license by the Board before accepting any preneed

funeral contracts, whether funded by trust deposits or preneed insurance policies. ~~Provided further, a~~ A successor funeral establishment ~~shall be~~ is liable to the preneed funeral contract purchasers for the amount of contract payments retained by the assigning or transferring funeral home pursuant to G.S. 90-210.61(a)(2).

(d) ~~Financial institutions that accept preneed funeral trust funds and, for any insurance policy that names a funeral establishment as an assignee or beneficiary, the issuing or underwriting insurance company shall, upon~~ and insurance companies that issue or underwrite insurance policies naming a funeral establishment as an assignee or beneficiary shall do all of the following:

- (1) Upon request by the Board or its inspectors, disclose any information regarding the preneed funeral trust accounts or any insurance policy that names a funeral establishment as an assignee or beneficiary.
- (2) ~~Financial institutions that accept preneed funeral trust funds and, for any insurance policy that names a funeral establishment as an assignee or beneficiary, the issuing or underwriting insurance company shall also forward~~ Forward the account balance or policy status and current death benefit to the contracting preneed funeral establishment or the funeral establishment named as an assignee or beneficiary at the end of each calendar year.

(d1) When a preneed funeral establishment license lapses or is terminated for any reason, the preneed licensee shall immediately divest of all the unperformed preneed funeral contracts and shall transfer them and any amounts retained under G.S. 90-210.61(a)(2) to a successor preneed funeral establishment licensee in good standing with the Board pursuant to the procedures of subsection (e) of this section. The contracting and the successor preneed funeral establishments shall notify the Board at least 30 days ~~prior to such transfer. Within 30 days following the transfer, the contracting and successor preneed funeral establishments shall provide notice of the transfer to each preneed contract purchaser and to the~~ before the transfer and shall notify the following within 30 days after the transfer:

- (1) The financial institution housing the preneed funeral trust funds or the issuing or underwriting insurance company for the contracts.
- (2) Each preneed contract purchaser, unless the preneed contract is transferred due to an acquisition or sale and the contract will continue to be performed at the same physical address.

(e) ~~In the event that any~~ If a preneed licensee is unable or unwilling or is for any reason relieved of its responsibility to perform ~~as trustee or to perform any~~ a preneed funeral contract, the Board shall order the contract and any amounts retained pursuant to G.S. 90-210.61(a)(2) to be ~~assigned~~ transferred to a substitute preneed licensee ~~provided that neither the substitute preneed licensee or preneed contract purchaser, or after the death of the preneed contract purchaser, the preneed contract beneficiary or his or her legal representative, shall be obligated to perform the agreement without executing a new preneed funeral contract. Any lapse or transfer of a preneed contract pursuant to this section shall not be grounds to revoke an irrevocable preneed funeral contract.~~ licensee. The substitute preneed licensee is not obligated to perform the contract but shall make reasonable efforts to execute a new preneed funeral contract with the preneed contract purchaser or, if the preneed contract purchaser is deceased, the preneed contract beneficiary. Nothing in this subsection, however, allows a preneed contract purchaser to revoke an irrevocable preneed funeral contract, except as otherwise provided in this Article. The substitute preneed licensee shall maintain the preneed contract in accordance with this Article and shall include information about the preneed contract in its annual report to the Board under subsection (a1) of this section.

(f) The substitute preneed licensee under subsections (d1) and (e) of this section ~~shall be~~ is liable to the preneed funeral contract purchasers for the amount of contract payments that had

been retained by, and that the substitute preneed licensee has received from, the ~~assigning~~
~~contracting~~ preneed licensee."

SECTION 47. G.S. 90-210.85 reads as rewritten:

"§ 90-210.85. Revocation of license.

~~In the event it is proven to the satisfaction of~~ If the Board of Funeral Service finds that any a
~~burial association is being operated not in conformity with~~ has violated any provision of this
~~Article, then it shall become the duty of the Board of Funeral Service~~ the Board shall, upon
~~hearing to a hearing, revoke the license of said~~ the ~~burial association and transfer said~~ burial
~~association, its membership and all its assets of every kind and description to another burial~~
~~association that is found by the Board of Funeral Service to be in good sound financial condition;~~
~~provided, that if said~~ issue an order of dissolution pursuant to G.S. 90-210.107(i). If the burial
~~association gives notice of appeal as provided for in G.S. 90-210.94, then said~~ the ~~burial~~
~~association may continue to operate as before the revocation and until the appeal's final~~
~~adjudication."~~

SECTION 48. G.S. 90-210.107(i) reads as rewritten:

"(i) Upon receipt of a request for voluntary dissolution under subsection (h) of this section or if the sponsoring funeral establishment has its permit revoked or ceases operation for any reason, the Board shall issue an order of liquidation. The Board's order ~~may shall~~ direct that the
~~termination of all agreements for members' benefits be transferred to a financially sound mutual~~
~~burial association, as well as and the liquidation of all records, property, and unexpended~~
~~balances of funds of the association to be liquidated, if the financially sound mutual burial~~
~~association agrees in writing to accept the transfer.~~ association. The Board's order shall direct the
burial association to complete the liquidation and to file a final report with the Board no later than
~~December 31 of the year of the liquidation.~~ 30 days after the completion of the liquidation.
Upon receipt of the order of liquidation, the burial association ~~shall~~ shall do all of the following:

- (1) Cease accepting new members.
- (2) Collect all debts owed to the association and pay all debts owed by the association from ~~monies~~ money on hand, including the reserve.
- (3) Distribute pro rata any remaining ~~monies~~ money on hand and in the reserve among those who were members of the association and whose transfer could not be accomplished on the date that the liquidation order was issued by the Board. Each member's distributive share shall be determined by dividing the amount of the member's benefit by the aggregate benefits of all members of the association and then multiplying the total amount of money available for distribution by the percentage so derived. Assessments owed by the members to the association at the time of distribution shall be taken into account and shall be offset against the members' distributive shares.
- (4) Issue a certificate to members in an amount that equals the difference between the distributive share issued in subdivision (3) of this subsection and the full amount of the member's association benefit. ~~Any~~ This ~~certificate issued~~ shall supersede and supplant any other certificate already issued by the association. The certificate shall be on a form prescribed by the Board and shall be prepared and distributed by the association at its expense.
- (5) File a final report with the Board ~~on or before December 31 in the year in which the order of liquidation was issued.~~ no later than 30 days after the completion of the liquidation. This report shall show all receipts and disbursements, including the amount distributed to each member, since the last annual report of the association was filed with the Board."

SECTION 49. Subdivisions (8), (13), and (14) of G.S. 90-210.121 are recodified as subdivisions (20c), (20e), and (20f), respectively, of that section.

SECTION 50. Subsection (g) of G.S. 90-210.136 is recodified as subsection (d1) of G.S. 90-210.129.

SECTION 51. Article 13F of Chapter 90 of the General Statutes, as amended by Sections 49 and 50 of this act, reads as rewritten:

"Article 13F.

"Cremations and Alkaline Hydrolysis.

~~"§ 90-210.120. Short title.~~

~~This Article shall be known and may be cited as the North Carolina Crematory Act.~~

"§ 90-210.121. Definitions.

~~As used in this Article, unless the context requires otherwise:~~The following definitions and the definitions of Article 13A of this Chapter apply in this Article:

- ~~(1) Alkaline hydrolysis. — As defined in G.S. 90-210.20.~~
- ~~(1a) Authorizing agent. — A person or entity legally entitled to arrange for the final disposition of human remains in accordance with G.S. 130A-420.~~
- ~~(2) Board. — The North Carolina Board of Funeral Service.~~
- ~~(3) Body parts. — Any of the following:
 - a. Limbs or other portions of the anatomy that are removed from a person or human remains for medical purposes during treatment, surgery, biopsy, autopsy, or medical research.
 - b. Human bodies or any portion thereof that have been donated to science for medical purposes.~~
- ~~(4) Casket. — A rigid container that is designed for the encasement of human remains and remains, that is usually constructed of wood, metal, or other material and ornamented and lined with fabric, and which that may or may not be combustible.~~
- ~~(5) Certificate of cremation. — reduction. — A certificate provided by the crematory reduction facility manager who performed the cremation reduction containing, at a minimum, all of the following information:
 - a. Name of decedent.
 - b. Date of cremation reduction.
 - c. Name and address of crematory reduction facility.
 - d. Signature of crematory reduction facility manager or person acting as crematory the reduction facility manager.~~
- ~~(6) Cremated remains. — All human remains recovered after the completion of the cremation process, including pulverization which that leaves only bone fragments reduced to unidentifiable dimensions.~~
- ~~(7) Cremation. — The technical process, using intense heat and flame, that reduces human remains to bone fragments. Cremation—This term includes the processing and may include the pulverization of the bone fragments.~~
- ~~(8) Recodified.~~
- ~~(9) Cremation container. — The—A container that is composed of readily combustible materials suitable for cremation, that is resistant to leakage or spillage, and in which the human remains are transported to the crematory or placed therein upon arrival for storage and placement in a cremation chamber for cremation. A cremation container shall comply with all of the following standards: arrival.
 - a. Be composed of readily combustible materials suitable for cremation.
 - b. Be able to be closed in order to provide a complete covering for the human remains.
 - c. Be resistant to leakage or spillage.
 - d. Be rigid enough for handling with ease.~~

- (17c) Initial container. – A receptacle for ~~eremated-reduced human~~ eremated-reduced human remains, for which the intended use and design is to hold ~~eremated-reduced human~~ eremated-reduced human remains, usually composed of cardboard, plastic, or similar material that can be closed in a manner so as to prevent the leakage or spillage of the ~~eremated-reduced human~~ eremated-reduced human remains or the entrance of foreign material and is a single container of sufficient size to hold the ~~eremated-reduced human~~ eremated-reduced human remains.
- (17d) Liquid waste. – Any liquid remaining after hydrolysis that does not contain any trace elements of human tissue.
- (18) Niche. – A compartment or cubicle for the memorialization or final disposition of an urn or container containing ~~eremated-reduced human~~ eremated-reduced human remains.
- (19) Processing. – The removal of bone fragments from the ~~eremation-reduction~~ eremation-reduction chamber for ~~the reduction in size, pulverization,~~ pulverization, labeling and packaging, and placing in an urn or initial container.
- (20) Pulverization. – The reduction of identifiable or unidentifiable bone fragments after the completion of the ~~eremation-reduction~~ eremation-reduction to granulated particles by mechanical means.
- (20a) ~~Reduced human remains. — The remains of a human body after completion of reduction.~~
- (20b) ~~Reduction. — Alkaline hydrolysis, cremation, and any other method of final disposition of human remains authorized pursuant to this Article.~~
- (20c) ~~Cremation-Reduction~~ Cremation-Reduction chamber. – The enclosed space within which the ~~eremation-reduction~~ eremation-reduction process takes place. ~~Cremation chambers covered by this Article shall be used exclusively for the cremation of human remains.~~
- (20e)(20d) ~~Reduction container. — A container, including a cremation container container, hydrolysis container, or any other container that meets the requirements of this subdivision other than a casket, designed to enclose human remains and made of suitable material to be easily destroyed during alkaline hydrolysis or eremation-reduction and to resist spillage and leakage.~~
- (20e) ~~Crematory-Reduction facility~~ Crematory-Reduction facility manager. – The person who is responsible for the daily management and operation of the ~~erematory.~~ erematory. ~~A crematory manager must either be licensed to practice funeral directing or funeral service and be qualified as a crematory technician or must obtain a crematory manager permit issued by the Board. In order to receive a crematory manager permit, a person must meet all of the following criteria:~~reduction facility.
- a. ~~Be at least 18 years of age.~~
- b. ~~Be of good moral character.~~
- e. ~~Be qualified as a crematory technician.~~
- ~~Notwithstanding any other provision of law, a crematory that is licensed by the Board prior to January 1, 2004, and as of that date is not managed by a crematory manager who is licensed to practice funeral directing or funeral service, or who has a crematory manager permit, may continue to be managed by a crematory manager who is not licensed to practice funeral directing or funeral service or who does not have a crematory manager permit so long as there is no sale, transfer, devise, gift, or any other disposal of a controlling interest in the crematory.~~
- (20f) ~~Crematory-Reduction facility~~ Crematory-Reduction facility technician. – ~~Any An~~ Any An employee of a ~~erematory reduction licensee~~ erematory reduction licensee who has a certificate confirming that the ~~erematory technician-employee~~ erematory technician-employee has attended a training course approved by the Board. ~~The Board shall recognize the cremation certificate program that is conducted by the Cremation Association of North America (CANA).~~completed a

cremation or alkaline hydrolysis technician certification program offered by a manufacturer of reduction equipment, the Cremation Association of North America (CANNA), or a similar training program approved for continuing education hours by the Board.

- (21) Scattering area. – An area permitted by North Carolina ~~law including, law,~~ including an area designated by a cemetery and located on dedicated cemetery property where ~~cremated-reduced human~~ remains that have been removed from their container can be mixed with or placed on top of the soil or ground cover.
- (22) Repealed by Session Laws 2007-531, s. 18, effective August 31, 2007.
- (23) Urn. – A receptacle designed to permanently encase the ~~cremated-reduced~~ human remains.

"§ 90-210.122. Repealed by Session Laws 2025-76, s. 1.2, effective October 1, 2025.

"§ 90-210.123. Licensing and inspection.

(a) ~~Any person doing business in this State, or any cemetery, funeral establishment, corporation, partnership, joint venture, voluntary organization, or any other entity may erect, maintain, and operate a crematory in this State and may provide the necessary employees, facilities, structure, and equipment for the cremation of human remains, provided that the person or entity has secured~~ No person or entity shall operate a crematory or cremate any human remains without first obtaining a license as a crematory licensee in accordance with this Article. No person or entity shall conduct alkaline hydrolysis of human remains without first obtaining a license as a hydrolysis licensee in accordance with this Article. Only a funeral establishment holding an establishment permit issued by the Board is eligible to be a hydrolysis licensee. A reduction licensee shall reduce human remains only in a reduction facility in compliance with this Article.

(a1) ~~A crematory-reduction facility operating under this Article is required to have a crematory-reduction facility manager. A crematory-reduction facility manager may manage multiple crematories-reduction facilities within a 50-mile radius of each other. A crematory-reduction facility may operate for a period not to exceed 30 days without a crematory-reduction facility manager due to the crematory-reduction facility manager's termination or cessation of employment if all of the following criteria are met:~~

- (1) ~~The crematory-reduction facility manager was the only person employed that is eligible to serve as a crematory-reduction facility manager at the time of the crematory-reduction facility manager's end of employment.~~
- (2) ~~The crematory-reduction licensee retains one or more crematory-reduction facility technicians to perform cremations-reductions.~~
- (3) ~~The crematory-reduction licensee registers the name of the crematory technicians each reduction facility technician with the Board.~~

(a2) A reduction facility manager shall be licensed to practice funeral directing or funeral service and shall be qualified as a reduction facility technician or shall hold a reduction facility manager permit issued by the Board. To receive a reduction facility manager permit, a person shall meet all of the following requirements:

- (1) Be at least 18 years of age.
- (2) Be of good moral character.
- (3) Be qualified as a reduction facility technician.

However, a crematory licensee that was licensed by the Board before January 1, 2004, and as of that date was not managed by a crematory manager who satisfied the requirements of this subsection may continue to be managed by that crematory manager until there is a sale, transfer, devise, gift, or other disposal of a controlling interest in the crematory licensee.

(b) ~~A crematory may be constructed on or adjacent to any a cemetery, on or adjacent to any a funeral establishment that is zoned commercial or industrial, or at any other location~~

consistent with local zoning and environmental regulations. A reduction facility shall conduct alkaline hydrolysis only on the premises of a funeral establishment holding an establishment permit issued by the Board.

(c) Application for a license as a ~~crematory~~ reduction licensee shall be made on forms furnished and prescribed by the Board. The Board shall inspect the premises, facilities, structure, and equipment to be used ~~as at a crematory, reduction facility,~~ confirm that the ~~crematory~~ reduction facility manager's and ~~crematory~~ reduction facility technician's educational certificate is valid, and issue a renewable license to the ~~crematory~~ reduction licensee if the applicant meets all the requirements and standards of the Board and the requirements of this Article.

(c1) All applicants for licensure shall consent to a criminal history record check. Refusal to consent to a criminal history record check may constitute grounds for the Board to deny licensure to an applicant. The Board shall ensure that the State and national criminal history is checked for any applicant applying for initial licensure or for reinstatement of licensure, if ~~such~~ the licensure has been expired for three or more years. The Department of Public Safety may provide a criminal history record check to the Board for a person who has applied for a new or renewed license under this Article; ~~provided, however, that~~ the Board and the applicant may consent to the use of a criminal background check vendor other than the Department of Public Safety, the cost of which shall be paid by the applicant. If the Department of Public Safety performs the criminal background check, the Board shall provide to the Department of Public Safety, along with the request, the fingerprints of the applicant, any additional information required by the Department of Public Safety, and a form signed by the applicant consenting to the check of the criminal record and to the use of the fingerprints and other identifying information required by the State or national repositories. The applicant's fingerprints shall be forwarded to the State Bureau of Investigation for a search of the State's criminal history record file, and the State Bureau of Investigation shall forward a set of the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The Board shall keep all information pursuant to this subsection privileged, in accordance with applicable State ~~law and federal guidelines, and the~~ and federal law. ~~This information shall be~~ is confidential and ~~shall not be~~ is not a public record under Chapter 132 of the General Statutes. The Board, its ~~officers~~ officers, and its employees, acting in good faith and in compliance with this section, ~~shall be~~ are immune from civil liability for denying licensure to an applicant based on information provided in the applicant's criminal history record check.

The Department of Public Safety may charge each applicant a fee for conducting the checks of criminal history records authorized by this subsection.

(d) ~~Every~~ An application for licensure shall identify the ~~crematory~~ reduction facility manager and all ~~crematory technicians employed by the crematory licensee providing that~~ nothing ~~reduction facility technicians for the reduction licensee. Nothing in this Article shall~~ prohibit ~~prohibits~~ the designation and identification by the ~~crematory~~ reduction licensee of one individual to serve as a ~~crematory~~ reduction facility manager and ~~crematory~~ reduction facility technician. Each ~~crematory licensed in North Carolina~~ reduction licensee shall employ on a full-time basis at least one ~~crematory~~ reduction facility technician. ~~Every~~ An application for licensure shall include each ~~crematory~~ reduction facility technician's educational certificate. The ~~crematory~~ reduction licensee shall keep the Board informed at all times of the names and addresses of the ~~crematory~~ reduction facility manager and all ~~crematory~~ reduction facility technicians. In the event a licensee is in the process of replacing its only ~~crematory~~ reduction facility technician at the time of license renewal, the licensee may continue to operate the ~~crematory~~ reduction facility for a reasonable time period not to exceed 30 days.

(d1) ~~Crematory licensees~~ A reduction licensee that offer ~~offers~~ at-need ~~cremation~~ reduction goods and services to the public shall comply with the standards set forth in Funeral Industry Practices, ~~16 C.F.R. § 453 (1984), as amended.~~ 16 C.F.R. Part 453.

(e) ~~All licenses and permits shall expire~~ A license or permit expires on the last day of December of each year. After February 1, a license or permit may be renewed by paying a late fee as provided in G.S. 90-210.132 in addition to the annual renewal fee. ~~Licenses and permits that remain~~ A license or permit that remains expired six months or more ~~require~~ requires a new application for renewal. ~~Licenses and permits are~~ A license or permit is not transferable.

(e1) A new application for a license or permit shall be made to the Board within 30 days following a change of ownership of more than fifty percent (50%) of the business. A new application for a license or permit is required if any of the following ~~occur~~ occurs:

- (1) A change to the legal structure of a ~~crematory~~ reduction licensee that results in a change of a majority of the ~~crematory~~ reduction licensee's owners, partners, managers, members, operators, or officers.
- (2) A ~~crematory~~ reduction licensee's owner, partner, manager, member, operator, or officer that holds a majority of the ~~crematory's~~ reduction licensee's ownership interest dies. The estate of the decedent ~~is permitted to~~ may apply for a permit within 180 days of the date of death.

(f) ~~No person, cemetery, funeral establishment, corporation, partnership, joint venture, voluntary organization, or any other entity shall cremate any human remains, except in a crematory licensed for this express purpose and operated by a crematory licensee subject to the restrictions and limitations of this Article or unless otherwise permitted by statute.~~

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

- (1) Conviction of or a plea of guilty or nolo contendere to a felony or misdemeanor that indicates that the individual is unfit or incompetent to engage in ~~cremations~~ reductions or that the individual has deceived or defrauded the public.
- (1a) Denial, suspension, or revocation of an occupational or business license by another jurisdiction.
- (2) Fraud or misrepresentation in obtaining or renewing a license, in the practice of ~~cremation~~ reduction, or in the operation of a licensee's business.
- (3) False or misleading advertising.
- (4) Solicitation of ~~dead human bodies~~ human remains by the ~~licensee, his licensee~~ or the licensee's agents, assistants, or ~~employees~~; but this subdivision shall not be construed to prohibit employees. This subdivision does not prohibit general advertising by the licensee.
- (5) Employment directly or indirectly of ~~any~~ an agent, assistant, or other person on a part-time or full-time basis or on commission for the purpose of calling upon individuals or institutions by whose influence ~~dead human bodies~~ human remains may be turned over to a particular licensee.
- (6) The direct or indirect payment or offer of payment of a commission by the licensee or the licensee's agent, assistant, or ~~employees~~ employee for the purpose of securing business.
- (7) Acts or omissions indicating that the licensee is unable to engage in ~~cremations~~ reductions with reasonable skill and safety by reason of illness, excessive use of alcohol, drugs, chemicals, or any other type of substance, or by reason of any physical or mental ~~abnormality~~ disability.

- (8) Aiding or abetting an unlicensed person to perform services under this Article, including the use of a picture or name in connection with advertisements or other written material published or caused to be published by the licensee.
- (9) Failing to treat ~~a dead human body~~ human remains with respect at all times.
- (10) Violating or cooperating with others to violate any of the provisions of this Article, Article 13A, 13D, or 13E of this Chapter, or of the rules of the Board or violation of Funeral Industry Practices, ~~16 C.F.R. § 453 (1984), as amended.~~ 16 C.F.R. Part 453.
- (11) Violation of any State law or ~~municipal or county~~ local ordinance or regulation affecting the handling, custody, care, or transportation of ~~dead human bodies.~~ human remains.
- (12) Refusing to surrender promptly the custody of ~~a dead human body or cremated remains~~ human remains, including reduced human remains, upon the express order of the person ~~lawfully entitled to the custody thereof,~~ their custody, except as provided in G.S. 90-210.131(e).
- (13) Indecent exposure or exhibition of ~~a dead human body~~ human remains while in the custody or control of a licensee.
- (14) Practicing funeral directing, embalming, or funeral service without a license.
- (15) Allowing anyone other than a licensee of the Board or a ~~crematory~~ reduction facility technician to perform a ~~cremation~~ reduction.
- (16) Failure to refund any insurance proceeds received as consideration in excess of the funeral contract purchase price within 30 days of receipt.
- (17) Failure to provide, within a reasonable time, either the goods and services contracted for or a refund for the price of goods and services paid for but not fulfilled.
- (18) Violation of G.S. 58-58-97.
- (19) Failure to respond to the Board's inquiries in a reasonable manner or time regarding any matter affecting ~~the individual's~~ performance of cremations. ~~reductions.~~
- (20) Failure to adequately supervise or oversee auxiliary licensed or unlicensed staff, employees, agents, or contractors, as required by this Article and ~~Article 13D, 13E, or 13F~~ Articles 13D and 13E of this Chapter, any rules of the Board, or the standards set forth in Funeral Industry Practices, ~~16 C.F.R. § 453 (1984), as amended.~~ 16 C.F.R. Part 453.
- (21) Knowingly failing to follow the lawful direction of a person with the right to authorize disposition of human remains in accordance with G.S. 130A-420.

In any case in which the Board is authorized to take any of the actions ~~permitted~~ allowed under this subsection, the Board may instead accept an offer in compromise of the charges ~~whereby by which~~ the accused shall pay to the Board a civil penalty of not more than five thousand dollars (\$5,000). The clear proceeds of civil penalties imposed under this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

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

(i) The Board may hold hearings in accordance with ~~the provisions of this Article and Article 3A of Chapter 150B of the General Statutes.~~ The Board ~~is empowered to~~ may regulate

and inspect ~~crematories-reduction facilities~~ and ~~crematory-reduction~~ licensees and to enforce as provided by law ~~the provisions of this Article and the rules adopted hereunder.~~ ~~Any crematory under it.~~ A reduction licensee that, upon inspection, is found not to meet ~~any-all~~ of the requirements of this Article shall pay a reinspection fee to the Board for each additional inspection that is made to ascertain whether the deficiency or other violation has been corrected. The Board may enforce compliance with the standards set forth in Funeral Industry Practices, 46 C.F.R. § 453 (1984), ~~as amended, and~~ 16 C.F.R. Part 453, in accordance with subsection (d1) of this section.

(j) The Board may apply for injunctive relief in the superior court of (i) the county where an act is alleged to have taken place, (ii) the county where the defendant resides, or (iii) Wake County, if any person, firm, corporation, or other entity has committed an act allegedly violating any provision of this Article. If a court of competent jurisdiction finds a defendant has acted in violation of this Article, then the court shall issue an order enjoining and restraining the acts constituting violations. The Board ~~shall be is~~ entitled to reimbursement of costs and attorneys' fees expended in an action brought under this subsection.

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

"§ 90-210.124. Repealed by Session Laws 2025-76, s. 1.5, effective October 1, 2025.

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

All ~~crematory-reduction~~ licensees shall comply with G.S. 130A-420 when acting under their respective scope of practice for dispositions of reduced human remains or body parts.

"§ 90-210.125. **Authorization to ~~cremate-reduce~~.**

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

- (1) The identity of the human remains and confirmation that the human remains are in fact the individual so named.
- (2) The time and date of death of the decedent.
- (3) The name and address of the funeral ~~establishment and/or the establishment,~~ funeral ~~director-director,~~ or funeral service licensee that obtained the ~~cremation-reduction~~ authorization.
- (4) The name and address of the ~~crematory-reduction facility~~ to be in receipt of the human remains for the purpose of ~~cremation-reduction~~.
- (5) The name and address of the authorizing agent, the relationship between the authorizing agent and the decedent, and the date and time of signature of the authorizing agent.
- (5a) The type of reduction authorized, such as cremation or alkaline hydrolysis, and any other specific instruction regarding the disposition of the reduced human remains.
- (6) A representation that the authorizing agent does in fact have the right to authorize the ~~cremation-reduction~~ of the decedent and that the authorizing agent is not aware of any living person who has a superior priority right to that of the authorizing agent, as set forth in G.S. 130A-420. Or, in the event that there is another living person who does have a superior priority right to that

of the authorizing agent, a representation that the authorizing agent has made all reasonable efforts to contact ~~such this~~ person, has been unable to do so, and has no reason to believe that ~~such this~~ person would object to the ~~cremation reduction~~ of the decedent.

- (7) A representation that the authorizing agent has either disclosed the location of all living persons with an equal right to that of the authorizing agent, as set forth in G.S. 130A-420, or does not know the location of any other living person with an equal right to that of the authorizing agent.
- (8) Authorization for the ~~crematory reduction~~ licensee to ~~cremate reduce~~ the human remains, including authorization to process or pulverize the ~~cremated reduced~~ human remains.
- (9) A representation that the human remains do not contain a pacemaker that is not approved ~~for cremation~~ by the pacemaker's manufacturer or ~~proper~~ regulating agency for the type of reduction authorized or any other material or implant that may be potentially hazardous to the person performing the ~~cremation reduction~~.
- (10) The name of the person authorized to receive the ~~cremated reduced~~ human remains from the ~~crematory reduction~~ licensee.
- (11) ~~The manner in which final disposition of the cremated remains is to take place, if known. If the cremation authorization form does not specify final disposition in a grave, crypt, niche, or scattering area, then the form shall indicate that the cremated remains will be held by the crematory licensee for 30 days before they are disposed of, unless they are received from the crematory licensee prior to that time, in person, by the authorizing agent or his designee. Whether the reduced human remains will be finally disposed in a specific manner, such as in a grave, crypt, niche, or scattering area, or whether the reduced human remains shall be held by the reduction licensee or person in possession of the reduced human remains in accordance with G.S. 90-210.130(b).~~
- (12) The signature of the authorizing agent attesting to the accuracy of all representations contained on the ~~cremation reduction~~ authorization form, except as set forth in subsection (b) of this section.
- (13) If a ~~cremation reduction~~ authorization form is ~~being~~ executed on a preneed basis, ~~the cremation authorization form shall contain~~ the disclosure required by G.S. 90-210.126. The authorizing agent may specify in writing religious practices that conflict with ~~Article 13A, 13D, or 13F~~ this Article or Article 13A or 13D of this Chapter. The ~~crematory reduction~~ licensee and funeral director or funeral service licensee shall observe those religious practices except ~~where to the extent~~ they interfere with ~~cremation in a licensed crematory reduction~~ as specified under G.S. 90-210.123 or the ~~required requirements of~~ documentation and record keeping.
- (14) ~~A~~ The signature of the licensed funeral director or funeral service licensee of the funeral establishment or crematory reduction licensee that received the cremation reduction authorization form shall also sign the cremation authorization form. Such form. Unless this individual has actual knowledge to the contrary, this individual shall not be is not responsible for any of the representations made by the authorizing agent, unless such individual has actual knowledge to the contrary, except for the information requested by subdivisions (a)(1), (2), (3), (4), and (9) of this section, which shall be considered to be representations of the individual. In addition, the funeral director or funeral service licensee shall warrant to the ~~crematory reduction~~

licensee that the human remains delivered to the crematory-reduction licensee are the human remains identified on the cremation-reduction authorization form with any other documentation required by this State, any county, or any municipality.

(15) A disclosure of the limitations of liability set out in G.S. 90-210.131.

(b) An authorizing agent who signs a cremation-reduction authorization form ~~shall be~~ is deemed to warrant the truthfulness of any facts set forth on the cremation-reduction authorization form, including that person's authority to order the cremation-reduction, except for the information required by subdivisions (a)(4) and (9) of this section, unless the authorizing agent has actual knowledge to the contrary. An authorizing agent signing a cremation-reduction authorization form ~~shall be~~ is personally and individually liable for all damages ~~occasioned thereby and resulting therefrom.~~ resulting from it.

(c) A crematory-reduction licensee ~~shall have~~ has the legal right to cremate-reduce human remains upon the receipt of a cremation-reduction authorization form signed by an authorizing agent. ~~There shall be no liability for a crematory licensee that cremates human remains pursuant to such authorization, or that releases or disposes of the cremated remains pursuant to such authorization, except for such crematory licensee's gross negligence, provided that the crematory licensee performs such functions in compliance with the provisions of this Article. There shall be no liability for a funeral establishment or licensee thereof that causes a crematory licensee to cremate human remains pursuant to such authorization, except for gross negligence, provided that the funeral establishment and licensee thereof and crematory licensee perform their respective functions in compliance with the provisions of this section.~~

(d) After the authorizing agent has executed a cremation-reduction authorization form and ~~prior to~~ before the commencement of the cremation-reduction, the authorizing agent may revoke the authorization and instruct the crematory-reduction licensee to cancel the cremation-reduction and to release or deliver the human remains to another crematory-reduction licensee or funeral establishment. ~~Such~~ These instructions shall be provided to the crematory-reduction licensee in writing. A crematory-reduction licensee shall honor any instructions given to it by an authorizing agent under this section, ~~provided that so long as~~ it receives such ~~these~~ instructions ~~prior to~~ before the commencement of the cremation-reduction of the human remains.

"§ 90-210.126. Preneed cremation-reduction arrangements.

(a) ~~Any~~ A person, on a preneed basis, may authorize the person's own cremation-reduction and the final disposition of the person's cremated-reduced human remains by executing, as the authorizing agent, a cremation-reduction authorization form on a preneed basis and having the form signed by two witnesses in accordance with G.S. 130A-420. If the person executes a cremation-reduction authorization form on a preneed basis, the person shall retain a copy of this form, and a copy shall be sent to the funeral establishment or the crematory-reduction licensee, or both. ~~Any~~ A person ~~shall have the right to~~ may transfer or cancel this authorization at any time ~~prior to~~ before the person's death by destroying the executed cremation-reduction authorization form and providing written notice to ~~the party or parties~~ each party that received the cremation-reduction authorization form.

(b) ~~Any cremation~~ In the case of cremation, a reduction authorization form executed by an individual as the individual's own authorizing agent on a preneed basis shall contain the following ~~disclosure, which~~ disclosure that shall be completed by the authorizing agent:

/ / I do not wish to allow any of my survivors the option of canceling my cremation and selecting alternative arrangements, regardless of whether my survivors deem such a this change to be appropriate.

/ / I wish to allow only the survivors whom I have designated below the option of canceling my cremation and selecting alternative arrangements or continuing to honor my wishes for cremation and purchasing services and merchandise if they deem such a this change to be appropriate.

(b1) In the case of alkaline hydrolysis, a reduction authorization form executed by an individual as the individual's own authorizing agent on a preneed basis shall contain the following disclosure that shall be completed by the authorizing agent:

/ / I do not wish to allow any of my survivors the option of canceling my alkaline hydrolysis and selecting alternative arrangements, regardless of whether my survivors deem this change to be appropriate.

/ / I wish to allow only the survivors whom I have designated below the option of canceling my alkaline hydrolysis and selecting alternative arrangements or continuing to honor my wishes for alkaline hydrolysis and purchasing services and merchandise if they deem this change to be appropriate.

(c) Except as provided in ~~subsection (b)~~ subsections (b) and (b1) of this section, at the time of the death of a person who has executed, as the authorizing agent, a ~~cremation-reduction~~ authorization form on a preneed basis, any person in possession of the executed form, and any person charged with making arrangements for the disposition of the decedent's human remains who has knowledge of the existence of the executed form, shall use the person's best efforts to ensure that the decedent's human remains are ~~cremated-reduced~~ and that the final disposition of the ~~cremated-reduced human~~ remains is in accordance with the instructions contained on the ~~cremation-reduction~~ authorization form.

(d) If a ~~crematory-reduction~~ licensee is in possession of a completed ~~cremation-reduction~~ authorization form, executed on a preneed basis, and the ~~crematory-reduction~~ licensee is in possession of the designated human remains, then the ~~crematory-reduction~~ licensee shall ~~be required to cremate-reduce~~ the human remains and dispose of the human remains according to the instructions contained on the ~~cremation-reduction~~ authorization form. A ~~crematory-reduction~~ licensee that complies with the preneed ~~cremation-reduction~~ authorization form under these circumstances may do so without any liability. A funeral establishment or licensee thereof ~~establishment, funeral director, or funeral service licensee~~ that causes a ~~crematory-reduction~~ licensee to act in accordance with the preneed ~~cremation-reduction~~ authorization form under these circumstances may do so without any liability.

(e) ~~Any~~ A preneed contract sold by, or preneed arrangements made with, a funeral establishment that includes a ~~cremation-reduction~~ shall specify the final disposition of the ~~cremated-reduced human~~ remains, pursuant to G.S. 90-210.130. In the event that no different or inconsistent instructions are provided to the ~~crematory-reduction~~ licensee by the authorizing agent at the time of death, the ~~crematory-reduction~~ licensee ~~shall be~~ is authorized to release or dispose of the ~~cremated-reduced human~~ remains as indicated in the preneed agreement. Upon compliance with the terms of the preneed agreement, the ~~crematory-reduction~~ licensee, and any funeral establishment or licensee thereof ~~who establishment, funeral director, or funeral service licensee that caused the crematory-reduction licensee to act in compliance with the terms of the preneed agreement, shall be~~ is discharged from any legal obligation concerning ~~such cremated remains~~ the reduced human remains.

(f) ~~The provisions of this section shall~~ This section does not apply to any a cremation authorization form or preneed contract executed ~~prior to the effective date of this act~~ Any before October 1, 2003. A funeral establishment, however, with the written approval of the authorizing agent or person who executed the preneed contract, may designate that ~~such the~~ cremation authorization form or preneed contract ~~shall be~~ is subject to this ~~act~~ section.

"§ 90-210.127. Record keeping.

(a) ~~The crematory~~ A reduction licensee shall furnish to the person who delivers ~~such the~~ human remains to the ~~crematory licensee~~ it a receipt, signed by both the ~~crematory-reduction~~ licensee and the person who delivers the human remains, showing the date and time of the delivery; the type of casket or ~~cremation-reduction~~ container that was delivered; the name of the person from whom the human remains were received and the name of the funeral establishment or other entity with ~~whom such~~ which the person is affiliated; the name of the person who

received the human remains on behalf of the ~~crematory-reduction~~ licensee; and the name of the decedent. The ~~crematory-reduction~~ licensee shall retain a copy of this receipt in its ~~permanent~~ records for three years.

(b) Upon its release of reduced human remains, the ~~crematory-reduction~~ licensee shall furnish to the person who receives those reduced human remains from the ~~crematory-reduction~~ licensee a receipt, signed by both the ~~crematory-reduction~~ licensee and the person who receives the reduced human remains, showing the date and time of the release; the name of the person to whom the reduced human remains were released and the name of the funeral establishment, cemetery, or other entity with ~~whom such~~ which the person is affiliated; the name of the person who released the reduced human remains on behalf of the ~~crematory-reduction~~ licensee; and the name of the decedent. The ~~crematory-reduction~~ licensee shall retain a copy of this receipt in its ~~permanent~~ records for three years.

(c) A ~~crematory-reduction~~ licensee shall maintain at its place of business a record of all forms required by the Board of each ~~cremation-reduction~~ that took place at its facility for three years. A funeral establishment shall maintain at its place of business a record of all forms generated by or provided to it under this Article for a period of three years.

(d) ~~The crematory licensee~~ A reduction licensee shall maintain a record for three years of all reduced human remains disposed of by the ~~crematory-reduction~~ licensee in accordance with G.S. 90-210.126(d).

(e) Upon completion of the ~~cremation, the crematory-reduction, the reduction~~ licensee shall issue a certificate of ~~cremation-reduction~~.

(f) All records that are required to be maintained under this Article ~~shall be~~ are subject to inspection by the Board or its agents upon request.

"§ 90-210.128. ~~Cremation containers.~~ Reduction containers.

(a) No ~~crematory-reduction~~ licensee shall make or enforce any rules requiring that ~~any~~ human remains be placed in a casket before ~~cremation-reduction~~ or that human remains be ~~cremated-reduced~~ in a casket, ~~nor shall any crematory licensee~~ casket. A reduction licensee also shall not refuse to accept human remains for ~~cremation-reduction~~ for the reason that they are not in a casket.

(b) No ~~crematory-reduction~~ licensee shall make or enforce any rules requiring that ~~any~~ ~~cremated-reduced~~ human remains be placed in an urn or receptacle designed to permanently encase the reduced human remains after the ~~cremation-reduction~~ process has been performed.

(c) A reduction container shall comply with all of the following requirements:

- (1) Be able to be closed in order to provide a complete covering for the human remains.
- (2) Be rigid enough for handling with ease.
- (3) Be able to provide protection for the health and safety of reduction facility personnel.
- (4) Be easily identifiable. The covering of the reduction container shall contain all of the following information:
 - a. The name of the decedent.
 - b. The date of death.
 - c. The sex of the decedent.
 - d. The age of the decedent at death.

"§ 90-210.129. ~~Cremation~~ Reduction procedures.

(a) For any death occurring in North Carolina certified by the attending physician or other person authorized by law to sign a death certificate under the supervision of a physician, ~~the body~~ human remains shall not be ~~cremated-reduced~~ before the ~~crematory-reduction~~ licensee receives a death certificate signed by the person authorized to sign the death certificate, which shall contain, at a minimum, all of the following information:

- (1) Decedent's name.

- (2) Date of death.
- (3) Date of birth.
- (4) Sex.
- (5) Place of death.
- (6) Facility name (if not institution, give street and number).
- (7) County of death.
- (8) City of death.
- (9) Time of death (if known).

(b) When required by G.S. 130A-388 and the rules adopted pursuant to ~~that section or by successor statute and the rules pursuant to it~~, a cremation-reduction authorization form signed by a medical examiner shall be received by the crematory prior to cremation-reduction licensee before the reduction.

(c) ~~In deaths coming under full investigation by~~ For deaths under the jurisdiction of the Office of the Chief Medical Examiner, a burial-transit permit/cremation authorization form must a death certificate signed by a medical examiner and containing all of the information required by subsection (a) of this section shall be received by the crematory before cremation-reduction licensee before the reduction.

(c1) For any death occurring outside North Carolina, a crematory-reduction licensee shall not ~~cremate a dead human body~~ reduce human remains without first obtaining a copy of the burial-transit or disposal permit issued under the law of the ~~state, province, state~~ or foreign government in which death or disinterment occurred.

~~The provisions of this~~ This subsection shall not be construed to does not waive the jurisdiction of the medical examiner or subsection (b) of this section.

(d) No ~~body~~ human remains shall knowingly be cremated with a pacemaker or defibrillator not approved for cremation by the pacemaker's manufacturer or ~~proper~~ regulating agency or other potentially hazardous implant or condition in place. The authorizing agent for the cremation of the human remains ~~shall be~~ is responsible for taking all necessary steps to ensure that any pacemaker or defibrillator not approved for cremation by the pacemaker's manufacturer or ~~proper~~ regulating agency or other potentially hazardous implant or condition is removed or corrected ~~prior to~~ before the cremation. If an authorizing agent informs the funeral director, funeral service licensee, or the crematory licensee, whichever is applicable, on the cremation-reduction authorization form of the presence of a pacemaker or defibrillator or other potentially hazardous implant or condition in the human remains, then the funeral director, funeral service licensee, or the crematory licensee, whichever is applicable or responsible for obtaining the information required to complete the decedent's death certificate, ~~shall also be~~ is also responsible for ensuring that all necessary steps have been taken to remove the pacemaker or defibrillator or other potentially hazardous implant or to correct the hazardous condition before delivering the human remains to the crematory. Anyone removing a hazardous implanted device or material under this subsection shall comply with the laws ~~and rules~~ governing the handling of ~~such material and with any other regulations enforced by the proper regulating authority~~ this material.

(d1) Unless specified otherwise by the manufacturer of the equipment used for hydrolysis, human remains may be hydrolyzed without first removing a pacemaker or defibrillator. Any other potentially hazardous implanted device or material shall be handled in accordance with ~~G.S. 90-210.129(d)~~ subsection (d) of this section.

(e) Human remains shall not be ~~cremated-reduced~~ within 24 hours after the time of death, unless ~~such~~ the death was a result of an infectious, contagious, or communicable and dangerous disease as listed by the Commission for Public Health, pursuant to G.S. 130A-134, and unless ~~such~~ this time requirement is waived in writing by the medical examiner, county health director, or attending physician where the death occurred.

(f) No unauthorized person shall be ~~permitted-allowed~~ in view of the cremation-reduction chamber or in the holding and processing facility while any human remains are being removed

from the ~~cremation-reduction~~ container, processed, or pulverized. Relatives of the deceased and their invitees, the authorizing agent and the agent's invitees, medical examiners, ~~Inspectors~~ inspectors of the ~~North Carolina Board of Funeral Service, Board,~~ and law enforcement officers in the execution of their duties ~~shall be~~ are authorized to have access to the ~~crematory-reduction~~ area, subject to the rules adopted by the ~~crematory-reduction~~ licensee governing the safety of ~~such these~~ individuals.

(g) Human remains shall be cremated only while enclosed in a cremation ~~container~~ container, and human remains shall be hydrolyzed only while enclosed in a hydrolysis container. A reduction chamber shall be used exclusively for the reduction of human remains. Upon completion of the ~~cremation-reduction~~, and ~~insofar as is to the extent possible~~, all of the recoverable residue of the ~~cremation-reduction~~ process shall be removed from the ~~cremation-reduction~~ chamber. ~~Insofar as is~~ To the extent possible, all residue of the ~~cremation-reduction~~ process shall then be separated from any foreign residue or anything else other than bone fragments and shall then be processed by pulverization so as to reduce the ~~cremated-reduced~~ human remains to unidentifiable particles. Any foreign residue and anything other than the particles of the ~~cremated-reduced~~ human remains, including any liquid waste, shall be removed from the reduced human remains as far as possible and shall be disposed of by the ~~crematory-reduction~~ licensee. This section does not apply ~~where law otherwise~~ when other law provides for the commingling of human remains. The fact that there is incidental and unavoidable residue in the ~~cremation-reduction~~ chamber used in a prior ~~cremation-reduction~~ is not a violation of this subsection.

(g1) A reduction licensee shall comply with all applicable public health and environmental laws in every operation of its business, including the disposal of liquid waste. A reduction licensee shall maintain its equipment in accordance with, and meet all standards established by, rules adopted by the Board.

(h) The simultaneous ~~cremation-reduction~~ of the human remains of more than one person within the same ~~cremation-reduction~~ chamber is ~~forbidden, provided that~~ prohibited, except that the following human remains may be ~~cremated-reduced~~ simultaneously upon the express written direction of the authorized agent:

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

(i) ~~Every crematory~~ A reduction licensee shall have a holding and processing facility, within the ~~crematory-reduction~~ facility, designated for the retention of human remains ~~prior to cremation. The holding and processing facility must comply with any applicable public health laws and rules and must meet all of the standards established pursuant to rules adopted by the Board before the reduction.~~

(j) ~~Crematory licensees~~ A reduction licensee shall comply with ~~standards~~ rules established by the Board for the processing and pulverization of human remains by ~~cremation-reduction~~.

(k) Nothing in this Article ~~shall require~~ requires a ~~crematory-reduction~~ licensee to perform a ~~cremation-reduction~~ that is impossible or impractical to perform.

(l) ~~The reduced~~ Reduced human remains with proper identification shall be placed in an initial container or the urn selected or provided by the authorizing agent. The initial container or urn contents shall not be contaminated with any other object, unless specific authorization has been received from the authorizing agent or as provided in subsection (g) of this section.

(m) If the reduced human remains are greater than the dimensions of an initial container or urn, the excess reduced human remains shall be returned to the authorizing agent or its representative in a separate container or urn.

(n) If the reduced human remains are to be shipped, the initial container or urn shall be packed securely in a suitable shipping container that complies with the requirements of the shipper. Reduced human remains shall be shipped only by a method ~~which that~~ has an internal tracing system available and ~~which that~~ provides a receipt signed by the person accepting delivery, unless otherwise authorized in writing by the authorizing agent. Reduced human remains shall be shipped to the proper address as stated on the ~~cremation-reduction~~ authorization form signed by the authorizing agent.

(o) ~~Unless the provisions of G.S. 130A-114 apply, applies,~~ before ~~cremation the reduction of fetal remains,~~ the ~~crematory-reduction~~ licensee shall receive a written statement, on a form prescribed by the Board and signed by the attending physician, acknowledging the circumstances, date, and time of the delivery of the fetal remains from the mother. If after reasonable efforts no physician can be identified with knowledge and information sufficient to complete the written statement required by this subsection, the ~~crematory-reduction~~ licensee shall obtain documentation of the circumstances, date, and time of delivery of the fetal remains prepared by a hospital, medical facility, law enforcement agency, or other entity. Notwithstanding any other provision of law, ~~a health care providers-provider~~ may release to a licensee, in accordance with the federal Standards for Privacy of Individually Identifiable Health Information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), medical records that document the circumstances, date, and time of delivery of fetal remains. If the ~~crematory-reduction~~ licensee cannot identify documents sufficient to meet the requirements of this subsection, the licensee shall report to the local medical examiner pursuant to G.S. 130A-383(a).

(p) ~~If the provisions of Article 4 of Chapter 130A of the General Statutes apply, applies,~~ the ~~crematory-reduction~~ licensee shall receive a fetal report of death as prescribed in G.S. 130A-114.

(q) Before the ~~cremation-reduction~~ of amputated body parts, ~~the crematory a reduction~~ licensee shall receive a written statement, on a form prescribed by the Board and signed by the attending physician, acknowledging the circumstances of the amputation. If after reasonable efforts no physician can be identified with knowledge and information sufficient to complete the written statement required by this subsection, the ~~crematory-reduction~~ licensee shall notify the local medical examiner pursuant to G.S. 130A-383(b). This section does not apply to the disposition of body parts ~~cremated~~ pursuant to Part 3A of Article 16 of Chapter 130A of the General Statutes.

(r) ~~A crematory~~ As provided in G.S. 90-210.27A(I), a reduction facility shall refrigerate unembalmed human remains at a temperature not greater than 40 degrees Fahrenheit, unless the cremation-reduction will begin within 24 hours of the time in which the crematory licensee that the reduction facility takes custody of the human remains.

"§ 90-210.130. Final disposition of reduced human remains.

(a) The authorizing agent shall provide the person with ~~whom cremation~~ which reduction arrangements are made with a signed statement specifying the ultimate disposition of the reduced human remains, if known. The ~~crematory-reduction~~ licensee may store or retain reduced human remains as directed by the authorizing agent. Records of retention and disposition of reduced human remains shall be kept by the ~~crematory-reduction~~ licensee pursuant to G.S. 90-210.127.

(b) The authorizing agent is responsible for the disposition of the reduced human remains. If the authorizing agent or the agent's representative has not specified the final disposition or claimed the reduced human remains within 30 days after the ~~crematory-reduction~~ licensee or person in possession of the reduced human remains provides written notice delivered by certified mail to the authorizing agent's last known address that the reduced human remains are available for retrieval, the crematory-reduction licensee or the person in possession of the reduced human remains may release the reduced human remains to another family member or dispose of the reduced human remains only in a manner permitted-allowed in this Article. The authorizing agent

~~shall be is~~ responsible for reimbursing the ~~erematory-reduction~~ licensee or person in possession of the reduced human remains for all reasonable expenses incurred in disposing of the reduced human remains pursuant to this section. A record of ~~such-the~~ disposition shall be made and kept by the person making the disposition. Upon disposing of reduced human remains in accordance with this Article, the ~~erematory-reduction~~ licensee or person in possession of the reduced human remains shall be discharged from any legal obligation or liability concerning those reduced human remains.

(c) In addition to the disposal of reduced human remains in a crypt, niche, grave, or scattering garden located in a dedicated cemetery, or by scattering over uninhabited public land, the sea, or other public waterways pursuant to subsection (f) of this section, reduced human remains may be disposed of in any manner on the private property of a consenting owner, upon direction of the authorizing agent. If reduced human remains are to be disposed of by the ~~erematory-reduction~~ licensee on private property, other than dedicated cemetery property, the authorizing agent shall provide the ~~erematory-reduction~~ licensee with the written consent of the property owner.

(d) Except with the express written permission of the authorizing agent, no person shall do any of the following:

- (1) Dispose of or scatter reduced human remains in such a manner or in such a location that the reduced human remains are commingled with those of another person. This subdivision ~~shall does not~~ apply to the scattering of reduced human remains at sea or by air from individual closed containers or to the scattering of ~~eremated-reduced human~~ remains in an area located in a dedicated cemetery and used exclusively for those purposes.
- (2) Place reduced human remains of more than one person in the same closed container. This subdivision ~~shall does not~~ apply to placing the reduced human remains of members of the same family in a common closed container designed for the reduced human remains of more than one person with the written consent of the family.

(e) Reduced human remains shall be released by the ~~erematory-reduction~~ licensee to the individual specified by the authorizing agent on the ~~eremation-reduction~~ authorization form. The representative of the ~~erematory-reduction~~ licensee and the individual receiving the reduced human remains shall sign a receipt indicating the name of the ~~deceased, deceased~~ and the date, time, and place of the ~~receipt, receipt~~ and ~~contain-containing~~ a representation that the handling of the final disposition will be in a ~~proper manner, accordance with this Article.~~ After this delivery, the ~~eremated-reduced human~~ remains may be transported in any manner in this State, without a permit, and disposed of in accordance with ~~the provisions of this Article.~~

(f) Reduced human remains may be scattered over uninhabited public land, over a public waterway or sea, subject to health and environmental standards, or on the private property of a consenting owner pursuant to subsection (c) of this section. A person may utilize a boat or airplane to perform scattering under this subsection. Reduced human remains shall be removed from their closed container before they are scattered.

"§ 90-210.131. Limitation of liability.

(a) ~~Any A~~ person signing a ~~eremation-reduction~~ authorization form as authorizing agent ~~shall be is~~ deemed to warrant the truthfulness of any facts set forth in the ~~eremation-reduction~~ authorization form, including the identity of the deceased whose remains are sought to be ~~eremated-reduced~~ and that person's authority to order ~~such-eremation-the reduction.~~

(b) A ~~erematory licensee shall have authority to cremate~~ ~~reduction licensee may reduce~~ human remains only upon the receipt of a ~~eremation-reduction~~ authorization form signed by an authorizing agent. There ~~shall be is~~ no liability of a ~~erematory-reduction~~ licensee that ~~eremates reduces~~ human remains pursuant to ~~such-this~~ authorization or that releases or disposes of the ~~eremated-reduced human~~ remains pursuant to ~~such-this~~ authorization. A ~~erematory-reduction~~

licensee and funeral establishment or licensee thereof who establishment, funeral director, or funeral service licensee that causes the crematory-reduction licensee to act shall have has no liability for the final disposition or manner in which the cremated-reduced human remains are handled after the cremated-reduced human remains are released in accordance with the directions of the authorizing agent.

(c) A crematory-reduction licensee shall not be responsible or is not liable for any valuables delivered to the crematory licensee it with human remains.

(d) A crematory-reduction licensee shall not be is not liable for refusing to accept a body human remains or to perform a cremation-reduction until it receives a court order or other suitable confirmation that a dispute has been settled if any of the following are satisfied: following apply:

- (1) It is aware of any dispute concerning the cremation-reduction of human remains.
- (2) It has a reasonable basis for questioning any of the representations made by the authorizing agent.
- (3) For any other lawful reason.

(e) If a crematory-reduction licensee or a licensee under Article 13A of this Chapter is aware of any dispute concerning the release or disposition of the reduced human remains, the crematory licensee may refuse to release the reduced human remains until the dispute has been resolved or the crematory licensee has been provided with a court order authorizing the release or disposition of the reduced human remains. A crematory The licensee shall not be is not liable for refusing to release or dispose of reduced human remains in accordance with this subsection. A crematory The licensee may charge a reasonable storage fee if the dispute is not resolved within 30 days after it is received by the crematory licensee.

"§ 90-210.132. Fees.

(a) By rule, the Board may set and collect fees from crematory and hydrolysis-reduction licensees, crematory and hydrolysis-reduction facility 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 reduction fee. 10.00
- (6) Late fee, per cremation or reduction. 10.00
- (7) Late fee, cremation or reduction report. 75.00 per month
- (8) Crematory or hydrolysis Reduction facility manager permit application fee. 150.00
- (9) Annual crematory or hydrolysis-reduction facility manager permit renewal fee. 40.00.

(b) The funds collected pursuant to this Article shall become part of the general fund of the Board.

(c) No later than the tenth day of each month, every crematory licensee and hydrolysis licensee under this Article a reduction licensee shall remit to the Board the per cremation or reduction fees for the cremations or reductions which the crematory that the reduction licensee performed during the immediately preceding calendar month. Each remittance shall be accompanied by a statement signed by an authorized representative of the reduction licensee containing all of the following information:

- (1) The name of the crematory-reduction licensee.
- (2) Each decedent's name.
- (3) Date of each cremation or reduction.
- (4) The person or entity from whom each cremation or reduction was performed. from which each decedent's human remains were received.

(5) The number of ~~eremations~~ or reductions contained in the statement.

(6) The total amount of fees remitted with the statement.

"§ 90-210.133. Crematory licensee ~~Reduction licensee~~ rights.

(a) A ~~erematory~~ reduction licensee may adopt reasonable rules consistent with this Article for the management and operation of a ~~erematory~~ reduction facility. Nothing in this subsection ~~may be construed to prevent a crematory~~ prevents a reduction licensee from adopting rules ~~which that~~ are more stringent than ~~the provisions of this Article~~.

(b) Nothing in this Article ~~may be construed to relieve the crematory~~ relieves a reduction licensee from obtaining any other licenses or permits required by law.

(c) Nothing in this Article ~~shall prohibit or require~~ prohibits or requires the performance of ~~eremations~~ reductions by ~~erematory~~ reduction licensees or ~~erematory~~ reduction facility managers for or directly with the public or exclusively for or through licensed funeral directors.

"§ 90-210.134. Rulemaking, applicability, violations, and prohibitions of Article.

(a) The Board ~~is authorized to may~~ adopt and promulgate such rules for the carrying out and enforcement of ~~the provisions of this Article as may be necessary and as are consistent with the laws of this State and of the United States~~ this Article. The Board may develop a ~~Standard Cremation Authorization Form~~ reduction authorization form and procedures for its execution that shall be used by ~~the crematory licensee subject to this Article~~ a reduction licensee, unless a ~~erematory~~ the licensee has its own form approved by the Board. A ~~erematory~~ reduction licensee that uses its own approved ~~eremation~~ reduction authorization form ~~must have the cremation authorization form reapproved~~ shall seek reapproval of its form if changed or after amendments are made to this Article or the rules adopted by the Board related to ~~eremation~~ reduction authorization forms. The Board may perform ~~such~~ other acts and exercise ~~such~~ other powers and duties as may be provided in this Article, in Article 13A of this Chapter, and otherwise by law ~~and as may be that are necessary to carry out the powers herein conferred~~ and enforce this Article.

(b) ~~The provisions of this Article shall~~ This Article does not apply to the ~~eremation~~ reduction of medical waste performed by the North Carolina Anatomical Commission, licensed hospitals and medical schools, and the office of the Chief Medical Examiner when the disposition of ~~such the~~ the medical waste is the ~~legal~~ responsibility of the institutions.

(c) A violation of any of the provisions of this Article is a Class 2 misdemeanor.

(d) No person, firm, or corporation may request or authorize ~~eremation~~ reduction or ~~eremate~~ reduce human remains ~~when if~~ the person, firm, or corporation has information indicating a crime or violence of any sort in connection with the cause of death unless ~~such the~~ information has been conveyed to the State or county medical examiner and permission from the State or county medical examiner to ~~eremate~~ reduce the human remains has thereafter been obtained.

"§ 90-210.135. Cremation societies.

No person, firm, or corporation licensed as a crematory licensee under ~~the provisions of this~~ Article may operate a cremation society without first registering the name of the cremation society with the Board.

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

(a) ~~Repealed by Session Laws 2025-76, s. 1.15, effective October 1, 2025.~~

(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. Only funeral establishments holding a valid establishment permit pursuant to G.S. 90-210.25(d) shall be eligible to be a hydrolysis licensee. An application for a license under this subsection shall be made on forms furnished and prescribed by the Board.~~

(c) ~~Except as otherwise provided by this section, a license for the hydrolysis of human remains shall comply with all provisions of this Article, including G.S. 90-210.127 and G.S. 90-210.130, and be subject to the same 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.

(c1) ~~Alkaline hydrolysis shall not be performed except on the physical premises of a funeral establishment holding a valid establishment permit pursuant to G.S. 90-210.25(d).~~

(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) ~~Recodified.~~

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

PART II. CONFORMING CHANGES

SECTION 52. G.S. 15B-2(1) and (3) read as rewritten:

"(1) Allowable expense. – Reasonable charges incurred for reasonably needed products, services, and accommodations, including those for medical care, rehabilitation, medically-related property, and other remedial treatment and care. Reasonably needed services include (i) counseling for immediate family members of children under the age of 18 who are victims of rape, sexual assault, or domestic violence and (ii) family counseling and grief counseling for immediate family members of homicide victims. The cumulative total for counseling services provided to immediate family members shall not exceed three thousand dollars (\$3,000) per family.

Allowable expense includes a total charge not in excess of ten thousand dollars (\$10,000) for expenses related to funeral, ~~cremation, cremation or hydrolysis,~~ and burial, including transportation of a body, but excluding expenses for flowers, gravestone, and other items not directly related to the funeral service.

Allowable expense for medical care, counseling, rehabilitation, medically-related property, and other remedial treatment and care of a victim shall be limited to sixty-six and two-thirds percent (66 2/3%) of the amount usually charged by the provider for the treatment or care. By accepting the compensation paid as allowable expense pursuant to this subdivision, the provider agrees that the compensation is payment in full for the treatment or care and shall not charge or otherwise hold a claimant financially responsible for the cost of services in addition to the amount of allowable expense.

...
(3) Collateral source. – A source of benefits or advantages for economic loss otherwise compensable that the victim or claimant has received or that is readily available to the victim or the claimant from any of the following sources:

...
i. A contract of insurance that will pay for expenses directly related to a funeral, ~~cremation, cremation or hydrolysis,~~ and burial, including transportation of a body.

...."

SECTION 53. G.S. 15B-11(g) reads as rewritten:

"(g) Compensation payable to a victim and to all other claimants sustaining economic loss because of injury to, or the death of, that victim may not exceed forty-five thousand dollars (\$45,000) in the aggregate in addition to allowable funeral, ~~ere~~mation, cremation or hydrolysis, and burial expenses."

SECTION 54. G.S. 32A-16(1) reads as rewritten:

"(1) Disposition of remains. – The decision to bury or ~~eremate~~reduce human remains, as ~~human remains are~~ defined in ~~G.S. 90-210.121, G.S. 90-210.20,~~ and, subject to G.S. 32A-19(b), arrangements relating to ~~burial or~~ eremation, burial, cremation, or hydrolysis."

SECTION 55. G.S. 32A-25.1 reads as rewritten:

"§ 32A-25.1. Statutory form health care power of attorney.

(a) The use of the following form in the creation of a health care power of attorney is lawful and, when used, it shall meet the requirements of and be construed in accordance with the provisions of this Article:

...

_____ E. Autopsy and Disposition of Remains. In exercising the
(Initial) authority to make decisions regarding autopsy and disposition of remains on my behalf, the authority of my health care agent is subject to the following special provisions and limitations. (Here you may include any specific limitations you deem appropriate such as: limiting the grant of authority and the scope of authority, or instructions regarding ~~burial or eremation~~:burial, cremation, or hydrolysis):

NOTE: DO NOT initial unless you insert a limitation.

...."

SECTION 56. G.S. 58-58-97(d) reads as rewritten:

"(d) Any licensee or employee of a funeral establishment ~~licensed~~having a permit issued under Article 13A of Chapter 90 of the General Statutes who makes a false request for information under this section or fails to do that required by subsection (c) of this section ~~shall be deemed guilty of commits~~ fraud or misrepresentation in the practice of funeral ~~service as defined in G.S. 90-210.25(e)(1)b. service, which is grounds for discipline under G.S. 90-210.28A,~~ and is unfit to practice funeral service."

SECTION 57. G.S. 65-48(4) and (7) read as rewritten:

"(4) "Cemetery broker" means a legal entity engaged in the business of arranging sales of cemetery products between legal entities and which sale does not involve a cemetery company, but does not mean funeral establishments or funeral directors operating under ~~G.S. 90-210.25,~~ Article 13A of Chapter 90 of the General Statutes when dealing between legal entities wherein one such entity shall be members of the family of a deceased person or other persons authorized by law to arrange for the burial and funeral of such deceased human being. The North Carolina Cemetery Act shall not apply to any cemetery broker selling less than five grave spaces per year.

...

(7) "Cemetery sales organization" means any legal entity contracting with a cemetery which is exempt or not exempt under this Article to conduct sales of cemetery products, but does not mean individual salesmen or sales managers employed by and contracting directly with cemetery companies operating under this Article, nor does it mean funeral establishments or funeral directors

operating under licenses authorized by ~~G.S. 90-210.25~~ Article 13A of Chapter 90 of the General Statutes when dealing directly with a cemetery company and with members of the family of a deceased person or other persons authorized by law to arrange for the burial and funeral of such deceased human being."

SECTION 58. G.S. 88B-25 reads as rewritten:

"§ 88B-25. Exemptions.

The following persons are exempt from ~~the provisions of~~ this Chapter while engaged in the proper discharge of their professional duties:

- (1) ~~Undertakers and funeral establishments licensed under G.S. 90-210.25.~~ Funeral establishments and funeral directors and other individuals holding a permit or license issued under Article 13A of Chapter 90 of the General Statutes.
- (2) Persons authorized to practice medicine or surgery under Article 1 of Chapter 90 of the General Statutes.
- (3) Nurses licensed under Article 9A of Chapter 90 of the General Statutes.
- (4) Commissioned medical or surgical officers of the United States Army, Air Force, Navy, Marine Corps, Space Force, or Coast Guard.
- (5) A person employed in a cosmetic art shop whose duties are expressly confined to the shampooing or blow drying of hair, ~~provided that so long as~~ the person shall comply ~~complies~~ with rules adopted by the Board relating to sanitary management of cosmetic art shops."

SECTION 59. G.S. 90-210.25B(d) reads as rewritten:

"(d) If a person or entity holding a license, permit, or registration in another jurisdiction has the license revoked, suspended, or placed on probation because of conduct ~~related to fitness to practice as described in G.S. 90-210.25(e), the board that is grounds for discipline under G.S. 90-210.28A,~~ the Board shall impose a sanction equal to or greater than the sanction imposed by the other jurisdiction."

SECTION 60. G.S. 90-210.69 reads as rewritten:

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

...
(c) ...

Revocation of a funeral establishment permit ~~granted pursuant to G.S. 90-210.25(d)(2) shall result issued by the Board results~~ in the automatic revocation of the firm's preneed funeral establishment permit by operation of law. Active suspension of a funeral establishment permit ~~granted pursuant to G.S. 90-210.25(d)(2) shall result issued by the Board results~~ in the automatic active suspension of the firm's preneed funeral establishment permit for the same length of time by operation of law. In any case in which the Board is authorized to take any of the actions ~~permitted~~ authorized under this subsection, the Board may instead accept an offer in compromise of the charges whereby the accused shall pay to the Board a penalty of not more than five thousand dollars (\$5,000). In any case in which the Board is entitled to place a licensee on a term of probation, the Board may also impose a penalty of not more than five thousand dollars (\$5,000) in conjunction with ~~such~~ the probation. The Board may determine the length and conditions of any period of probation, revocation, suspension, or refusal to issue or renew a license.

(d) Any proceedings under this Article pertaining to or actions against a funeral establishment ~~under this Article may be in addition to any proceedings or actions permitted by G.S. 90-210.25(d)(4). Any proceedings pertaining to or actions against or a person licensed for as a funeral directing director or funeral service may be licensee are in addition to any proceedings or actions permitted by G.S. 90-210.25 (e)(1) and (2).~~ authorized by Article 13A of this Chapter.

...."

SECTION 61. G.S. 90-210.80 reads as rewritten:

"§ 90-210.80. Duties of Board; meetings.

...

The North Carolina Board of Funeral Service, ~~after a public hearing, may promulgate reasonable rules and regulations for the enforcement of this Article and in order to carry out the intent thereof.~~ Service may adopt rules to enforce this Article. The Board is ~~authorized and directed to~~ must adopt ~~specific~~ rules to provide for the orderly transfer of a member's benefits in cash or merchandise and services from the funeral director sponsoring the member's association to the funeral establishment ~~which that~~ furnishes a funeral service, or merchandise, or both, for the burial of the ~~member, provided that any~~ member. A funeral establishment to which the member's benefits are transferred ~~in accordance with such rules shall,~~ must, if located in North Carolina, ~~be have~~ a funeral establishment ~~registered and permitted under the provisions of G.S. 90-210.25 or shall, if permit issued by the Board.~~ registered and permitted under the provisions of G.S. 90-210.25 or shall, if permit issued by the Board. If the funeral establishment to which the member's benefits are transferred is located in any other state, ~~territory~~ territory, or foreign country, ~~be a funeral establishment it must be~~ recognized by and ~~operating~~ operate in conformity with the laws of ~~such the~~ other state, ~~territory~~ territory, or foreign country. One or more burial associations operating in North Carolina may merge into another burial association operating in North Carolina and two or more burial associations operating in North Carolina may consolidate into a new burial association ~~provided that any such association.~~ A plan of merger or a plan of consolidation shall be adopted and carried out in accordance with rules adopted by the Board pursuant to this Article. Board.

...."

SECTION 62. G.S. 90-210.81 reads as rewritten:

"§ 90-210.81. Requirements as to rules and bylaws.

...

Article 10. It is understood and stipulated that the benefits provided for shall be payable only to a funeral establishment which provides a funeral service for a deceased member and which, if located in North Carolina, is a funeral establishment ~~registered under the provisions of G.S. 90-210.25 that has an establishment permit issued by the Board of Funeral Service~~ or which, if located in any other state, territory or foreign country, is a funeral establishment recognized by and operating in conformity with the laws of such other state, territory or foreign country. Upon the death of any member, it shall be the duty of the person or persons making the funeral arrangements for such deceased member to notify the secretary of the member's burial association of the death of such member. The person or persons making the funeral arrangements for such deceased member shall have 30 days from the date of the death of such member in which to make demand upon the burial association for the funeral benefits to which such member is entitled.

The benefits provided for are to be paid by the burial association to the funeral director providing such funeral and burial service either in cash or in merchandise and service as elected by the person or persons making the funeral arrangements for such deceased member. If the burial association shall fail, on demand, to provide the benefits to which the deceased member was entitled to the funeral establishment which provided the funeral service for the deceased member, then the benefits shall be paid in cash to the representative of the deceased member qualified under law to receive such benefits.

...."

SECTION 63. G.S. 130A-412.16(h) reads as rewritten:

"(h) Subject to G.S. 130A-412.13(i) and G.S. 130A-412.25, the rights of the person to ~~which whom~~ a body part passes under G.S. 130A-412.13 are superior to the rights of all others with respect to the body part. The person may accept or reject an anatomical gift in whole or in part. Subject to the terms of the document of gift and this Part, a person that accepts an anatomical gift of an entire body may allow embalming, burial, or cremation, and use of remains in a funeral

service. If the gift is of a body part, the person to which the body part passes under G.S. 130A-412.13, upon the death of the donor and before embalming, burial, ~~or cremation, cremation, or hydrolysis~~ shall cause the body part to be removed without unnecessary mutilation."

SECTION 64. G.S. 130A-420(a) reads as rewritten:

"(a) An individual at least 18 years of age may authorize the type, place, and method of disposition of the individual's own dead body by methods in the following order:

- (1) Pursuant to a preneed funeral contract executed pursuant to Article 13D of Chapter 90 of the General Statutes or pursuant to a ~~cremation-reduction~~ authorization form executed pursuant to Article ~~13C-13F~~ of Chapter 90 of the General Statutes.

...."

SECTION 65. G.S. 160A-341 reads as rewritten:

"§ 160A-341. Authority to establish and operate cemeteries.

A city ~~shall have authority to~~ may establish, operate, and maintain cemeteries either inside or outside its corporate limits, may acquire and hold real and personal property for cemetery purposes by gift, purchase, or (for real property) by exercise of the power of eminent domain, may devote any property owned by the city to use as a cemetery, may prohibit burials at any place within the city other than city cemeteries, and may regulate the manner of burial in city cemeteries. Nothing in this section ~~shall confer~~ confers upon any city authority to prohibit or regulate burials in cemeteries licensed by the ~~State Burial Association Commissioner, Cemetery Commission,~~ or in church cemeteries.

As used in this Article "cemetery" includes columbariums and facilities for ~~cremation-cremation or hydrolysis.~~

PART III. DEPARTMENT OF INSURANCE LICENSING PROGRAMS

SECTION 66.(a) Subdivisions (6), (7), (8), and (9) of G.S. 58-16-5 are recodified as sub-subdivisions e., f., g., and h. of subdivision (2) of that section.

SECTION 66.(b) G.S. 58-16-5, as amended by subsection (a) of this section, reads as rewritten:

"§ 58-16-5. Conditions of licensure.

A foreign or alien insurance company may be licensed to do business ~~when it:~~ if it meets all of the following requirements:

- (1) Deposits with the Commissioner a certified copy of its charter or certificate of organization and a statement of its financial condition and business, in the form and detail that the Commissioner requires, signed and sworn to by its president and secretary or other proper officer, and pays ~~for the filing of this statement the sum~~ licensure application fee required by law.
- (2) Satisfies the Commissioner of all of the following:
 - a. ~~that it~~ It is fully and legally organized under the laws of its state or government to do the business it proposes to transact as direct insurance or assumed ~~reinsurance; reinsurance,~~ and it has been successful in the conduct of this business.
 - b. ~~that it~~ It has, if a stock company, a free surplus and a fully paid-up and unimpaired capital, exclusive of stockholders' obligations of any ~~description~~ description, of an amount not less than that required for the organization of a domestic company writing the same kinds of ~~business; and~~ business.
 - c. It has, if a mutual ~~company that its~~ company, a free surplus ~~is not~~ less than that required for the organization of a domestic company writing the same kind of ~~business, and~~ business.

- d. ~~that the~~ Its capital, surplus, and other funds are invested substantially in accordance with the requirements of this Chapter.
 - e. ~~Satisfies the Commissioner that it~~ It is in substantial compliance with G.S. 58-7-21, 58-7-26, 58-7-30, and 58-7-31 and Article 13 of this Chapter.
 - f. ~~Satisfies the Commissioner that it is in compliance~~ It complies with the company name requirements of G.S. 58-7-35.
 - g. ~~Satisfies the Commissioner that the~~ The operation of the company in this State would not be hazardous to prospective policyholders, creditors, or the general public.
 - h. ~~Satisfies the Commissioner that it~~ It is in substantial compliance with the requirements of G.S. 58-7-37 pertaining to the background of its officers and directors.
- (3) Repealed by Session Laws 1995, c. 517, s. 6.
 - (4) Repealed by Session Laws 1987, c. 629, s. 20.
 - (5) Files with the Commissioner a certificate that it has complied with the laws of the state or government under which it was organized and is authorized to make contracts of insurance.
 - (6) through (9) Recodified.
 - (10) Files with the Commissioner an instrument appointing the Commissioner as the company's agent on whom any legal process under G.S. 58-16-30 may be served. This appointment is irrevocable as long as any liability of the company remains outstanding in this State. A copy of this instrument, certified by the Commissioner, is sufficient evidence of this ~~appointment;~~ appointment, and service upon the Commissioner is sufficient service upon the company."

SECTION 66.(c) No later than January 1, 2027, the Department of Insurance shall adopt rules to implement this section.

SECTION 66.(d) This section is effective when it becomes law.

SECTION 67. G.S. 58-71-75 reads as rewritten:

"§ 58-71-75. License renewal; criminal history record checks; renewal fees.

(a) Biennial Renewal. – A license of a bail bondsman and a license of a runner shall be renewed on July 1 of each even year upon payment of the applicable biennial renewal fee. In addition to paying the biennial renewal fee, an applicant seeking renewal ~~must~~ shall submit an application for renewal in accordance with this section. The Commissioner is not required to print renewal licenses.

(b) Renewal Application. – In even-numbered years, a bail bondsman or runner seeking to renew a license shall provide the Commissioner prior to the expiration date of the bail bondsman's or runner's current license, all of the following:

- (1) A renewal application containing all of the following:
 - a. Proof that the applicant is a resident of this State as required by G.S. 58-71-50(c).
 - b. Proof that the applicant meets the qualifications set out in G.S. 58-71-50(b)(5) through ~~G.S. 58-71-50(b)(7);~~ G.S. 58-71-50(b)(9).
 - c. The information required by G.S. 58-2-69.
- (2) The biennial renewal fee as provided in subsection (d) of this section.
- (3) Repealed by Session Laws 2016-107, s. 4, effective July 22, 2016.

...."

SECTION 68.(a) G.S. 58-89A-5 reads as rewritten:

"§ 58-89A-5. Definitions.

~~In this Article:~~ The following definitions apply in this Article:

- (1) ~~"Applicant" means a Applicant.~~ – A person applying for a license or a group license under this Article.
- (2) ~~"Assigned employee" means an Assigned employee.~~ – An employee who is performing services for a client company under a contract between a licensee and a client company in which employment responsibilities are shared or allocated. ~~"Assigned employee" This term does not include a temporary employee. Individuals This term includes individuals who are directors, shareholders, partners, and managers of a client company are assigned employees to the extent the licensee and the client have agreed that those individuals are assigned employees and provided that those individuals meet the criteria of this subdivision and act as operational managers or perform reviews for the client company.~~
- (3) ~~"Audited financial statement" means a Audited financial statement.~~ – A financial statement that is audited by an independent certified public accountant and presented in accordance with generally accepted accounting principles.
- (4) ~~"Client company" or "client" means a Client company or client.~~ – A person that contracts with a licensee and is assigned employees by the licensee under that contract.
- (5) ~~"Control", including the terms "controlling", "controlled by", and "under common control with" means the Control.~~ – The direct or indirect possession of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise. Control is presumed to exist if ~~any natural person an individual~~ directly or indirectly owns, controls, holds with the power to vote, or holds proxies representing ten percent (10%) or more of the voting securities of ~~any other another~~ person. This presumption may be rebutted by a showing made in the manner provided by rule of the Commissioner. The Commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such the~~ determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.
- (6) ~~"Financial responsibility" means the Financial responsibility.~~ – The current and expected future condition of financial solvency sufficient to support a reasonable expectation that an applicant or licensee can successfully conduct its business without jeopardizing the interests of its assigned employees, client companies, or the public.
- (7) ~~"Good moral character" means a Good moral character.~~ – A personal history of honesty, trustworthiness, fairness, a good reputation for fair dealings, and respect for the rights of others and for ~~state State~~ and federal laws.
- (8) Repealed by Session Laws 2013-413, s. 11.1(a), effective October 1, 2013.
- (9) ~~"Licensee" means a Licensee.~~ – A person licensed under this Article to provide professional employer services. The term includes a professional employer organization group licensed under G.S. 58-89A-35(b). Unless specifically stated otherwise in this Article, ~~"licensee" this term~~ includes persons ~~who that~~ are licensed under this Article pursuant to alternative licensing procedures as set forth in G.S. 58-89A-76.
- (10) ~~"Managed services" means services Managed services.~~ – Services provided by an organization that is the sole employer of employees whom it supplies to staff and manage a specific portion of a company's workforce or a specific

facility within a company on an ongoing basis. ~~The managed services~~ This organization has responsibility for ensuring the capabilities and skills of the employees it supplies or provides, for all employer functions, for supervisory responsibility over the employees, and for management accountability of the facility or function.

- (11) ~~"PEO agreement" means a PEO agreement. – A written contract by and between a client company and a professional employer organization that provides;~~ provides both of the following:
- a. ~~For the~~ The allocation and sharing between the client company and the licensee of the responsibilities of employers with respect to the assigned employees, including hiring, firing, and disciplining of employees; and ~~employees.~~
 - b. That the licensee and the client company assume the responsibilities required by this Article.
- (12) ~~"Person" has the same meaning as in G.S. 58-1-5(9).~~
- (13) ~~"Personnel placement service" means a Personnel placement service. – A job placement service offered through an organization that assists persons individuals seeking employment to find a job with companies that are seeking employees. Companies that hire persons through a personnel placement service are the sole employers of the persons hired, and the personnel placement service does not have any responsibility as an employer.~~ a company that seeks to hire them and to be their sole employer.
- (14) ~~"Professional employer organization" or "PEO" means a Professional employer organization or PEO. – A person that offers professional employer services and services. This term includes "staff leasing services companies", "employee leasing companies", "staff leasing companies", and "administrative employers"~~ staff leasing services companies, employee leasing companies, staff leasing companies, and administrative employers who offer or propose to offer professional employer services in this State.
- (15) ~~"Professional employer organization group" or "PEO group" means a Professional employer organization group or PEO group. – A combination of professional employer organizations that operates under a group license issued under this Article or is otherwise subject to group licensure requirements under G.S. 58-89A-35(b).~~
- (16) ~~"Professional employer services" means an Professional employer services. – An arrangement by which employees of a licensee are assigned to work at a client company and in which employment responsibilities are in fact shared by the licensee and the client company in accordance with G.S. 58-89A-100, and the employee's assignment is intended to be of a long-term or continuing nature, rather than temporary or seasonal in nature. "Professional employer services"~~ This term does not include services that provide temporary employees or independent contractors, a personnel placement service, managed services, payroll services that do not involve employee staffing or leasing, the sharing of employees by commonly owned companies within the meaning of section 414(b) and (c) of the Internal Revenue Code of 1986, as amended, Code, or similar groups that do not meet the requirements of this subdivision.
- (16d) ~~"Tangible net worth" means the difference between total tangible assets and total liabilities. For purposes of this definition, tangible assets are physical assets and do not include goodwill, patents, copyrights, intellectual property, trademarks, and any other non-physical asset.~~

- (17) ~~"Temporary employees" means persons~~ Temporary employees. – Persons employed under an arrangement by which an organization hires its own employees and assigns them to a client company to support or supplement the client's workforce in a special work situation, ~~including~~ including any of the following:
- a. An employee ~~absence;~~ absence.
 - b. A temporary skill ~~shortage;~~ shortage.
 - c. A seasonal ~~workload;~~ or workload.
 - d. A special assignment or project.
- (18) ~~"Working capital" means the~~ Working capital. – The difference between current assets and current liabilities."

SECTION 68.(b) G.S. 58-89A-50 reads as rewritten:

"§ 58-89A-50. Surety bond; letter of credit; other deposits.

(a) An applicant for licensure shall file with the Commissioner a surety bond, or other items as set forth in subsection (f) of this section, in the amount of one hundred thousand dollars (\$100,000) for the benefit of the Commissioner. An applicant or licensee who does not have positive working capital ~~pursuant to G.S. 58-89A-60(b)~~ shall file an additional surety ~~bond~~ bond, or other items set forth in subsection (f) of this ~~section~~ section, equal to or in excess of the applicant's or licensee's negative working capital.

(b) The surety bond required by this section shall be in a form acceptable to the Commissioner, issued by an insurer authorized by the Commissioner to write surety business in this State, and maintained in force while the license remains in effect or any obligations or liabilities of the applicant, ~~licensee~~ licensee, or PEO previously licensed ~~by~~ in this State remain outstanding.

(c) The surety bond required by this section may be exchanged or replaced with another surety bond if (i) the surety bond applies to obligations and liabilities that arose during the period of the original surety bond, (ii) the surety bond meets the requirements of this section, and (iii) 90 days' advance written notice is provided to the Commissioner.

(d) Repealed by Session Laws 2013-413, s. 11.2(b), effective October 1, 2013.

(e) Notice of cancellation or nonrenewal of the surety bond required by this section shall be provided to the Commissioner in writing at least 45 days before cancellation or nonrenewal.

(e1) A surety bond may be cancelled by the issuer of the bond with respect to future obligations or liabilities upon ~~proper~~ notice pursuant to this section and without regard to approval or acceptance of the Commissioner.

(f) ~~In lieu~~ Instead of the surety bond required by this section, an applicant may submit to the Commissioner an irrevocable letter of credit in a form acceptable to the Commissioner issued by a financial institution, the deposits of which are insured by the Federal Deposit Insurance Corporation, or may maintain on deposit with the Commissioner an amount equal to the amount required under subsection (a) of this section in cash or in value of securities of the kind specified in G.S. 58-5-20. An applicant that deposits securities under this subsection shall concurrently deliver to the Commissioner a power of attorney, on a form prescribed by the Commissioner, executed by its president or another officer, authorizing the sale or transfer of the securities for any purpose provided for in this Article, including the payment of licensee liabilities.

(g) This section does not apply to persons who are licensed pursuant to the alternative licensing procedures set forth in G.S. 58-89A-76 or to persons who are de minimis registrants pursuant to G.S. 58-89A-75.

(h) The license of ~~any~~ a licensee that fails to provide and maintain a surety bond, letter of credit, cash, or securities pursuant to this section ~~shall be~~ is automatically and immediately suspended, and the licensee shall tender its license to the Commissioner within three days of failure to satisfy this requirement."

SECTION 68.(c) G.S. 58-89A-60 reads as rewritten:

"§ 58-89A-60. License application.

(a) ~~Every~~An applicant for licensure shall file with the Commissioner, on a form prescribed by the Commissioner, the following information:

- (1) The name, organizational structure, and date of organization of the applicant, the addresses of the principal office and of all offices in this State, the name of the contact person, the type of operations ~~within~~in this State, and the taxpayer or employer identification number.
- (2) A list by jurisdiction of each name under which the applicant has operated in the preceding five years, including any alternative names, names of predecessors, and, if known, names of successor business entities. The list required by this subdivision ~~shall include~~includes the parent company name and any trade name, trademark, or service mark of the applicant.
- (3) A list of all officers, directors, and other controlling persons of the applicant, their biographical information, including their education, management and business experience, and an affidavit from each attesting to his or her good moral character and management competence.
- (4) The location of the business records of the applicant.
- (5) An attestation, executed by the chief financial officer and chief executive officer of the applicant, that the applicant is current as of the date the application is submitted with respect to all of its obligations for payroll, payroll-related taxes, workers' compensation insurance, and employee benefits. If any ~~such of these~~such of these obligations are in dispute with a client as of the date the application is submitted and the disputed amount is material when considered in the context of the applicant's most recent audited financial statement, then the applicant shall disclose the nature of the dispute causing the obligations to be unpaid and the amount of money in controversy.
- (6) Any other reasonable information the Commissioner ~~deems~~considers necessary to establish that the ~~applicant and the officers~~applicant, officers, and controlling persons are of good moral ~~character,~~character and have business integrity, ~~have~~have applicable educational and business experience, and ~~have~~have financial responsibility.

(b) ~~Every~~An applicant shall file with the Commissioner an audited financial statement, prepared as of a date not more than 120 days before the date of ~~application~~application, that demonstrates that the applicant has a ~~tangible net worth of not less than fifty thousand dollars (\$50,000) and~~ positive working capital. The applicant shall attach to the audited financial statement a separate document signed by the applicant's chief executive and the chief financial officer certifying that (i) each has reviewed the audited financial statement; (ii) based on each signatory's knowledge, the audited financial statement does not contain any untrue or misleading statement of material fact ~~or~~and does not omit a fact with respect to the period covered by the audited financial statement; and (iii) based on each signatory's knowledge, the audited financial statement fairly presents in all material respects the financial condition of the applicant as of, and for, the period presented in the audited financial statement.

~~Notwithstanding the requirements of this subsection,~~ However, the Commissioner may, in the Commissioner's discretion, accept an audited financial statement that has been prepared more than 120 days before submission to the Commissioner if the Commissioner ~~deems such~~considers acceptance appropriate. The Commissioner may, in the Commissioner's discretion, impose conditions upon ~~such~~such acceptance of audited financial statements prepared more than 120 days ~~prior to~~before submission.

The audited financial statement shall be prepared by an independent certified public accountant licensed to practice in the jurisdiction in which ~~such~~the accountant is located and shall be without qualification as to the going concern status of the applicant. Persons applying

for a professional employer organization group license may submit combined or consolidated audited financial statements to meet the requirements of this section, ~~provided that so long as~~ the combined or consolidated audited financial statement ~~include[s]~~ includes a combining or consolidating balance sheet and statement of operations of each proposed member as supplemental information to the ~~combined or consolidated audited financial statement~~. An applicant that does not have at least 12 months of operating history may meet the financial requirements of this subsection by filing with the Commissioner financial statements that have been reviewed by an independent certified public accountant and that have been prepared as of a date not more than 90 days before the date of application.

(b1) The Commissioner may accept the audited financial statement of an applicant's parent company, if the audited financial statement includes either a combining or consolidating balance sheet, income statement, statement of changes in equity, and statement of cash flows as supplemental information to the audited financial ~~statement, the contents of which will allow statement and if these documents allow~~ the Commissioner to determine the financial condition and financial responsibility of the applicant.

(b2) The Commissioner may accept the audited financial statement of an applicant's parent company and consider the financial condition and financial responsibility of the parent company ~~in lieu instead of those of the applicant~~, if all of the following requirements are satisfied:

- (1) The parent executes a guaranty agreement, in a form prescribed by the Commissioner, for the guaranty of all obligations related to the applicant's current and future client companies, including its obligations for payroll, payroll-related taxes, workers' compensation insurance, and employee benefits.
- (2) The applicant files with the Commissioner documentation acceptable to the Commissioner evidencing the parent's control.
- (3) The applicant submits an audited financial statement that meets the requirements of subsection (b1) of this section that allows the Commissioner to determine the financial condition and financial responsibility of the parent and the applicant.

(c) ~~Every~~ An applicant shall submit to the Commissioner the application fee pursuant to G.S. 58-89A-65.

(d) ~~Every~~ An applicant shall furnish the Commissioner a complete set of fingerprints of each officer, director, and controlling person in a form prescribed by the Commissioner. Each set of fingerprints shall be certified by an authorized law enforcement officer.

Upon request by the Department, the State Bureau of Investigation shall provide to the Department from the State and National Repositories of Criminal Histories the criminal history of ~~any an~~ applicant and the officer, director, and controlling person of ~~any an~~ applicant. Along with the request, the Department shall provide to the ~~State Bureau of Investigation~~ the fingerprints of the person that is the subject of the request, a form signed by the person that is the subject of the request consenting to the criminal record check and use of fingerprints and other identifying information required by the State and National Repositories, and any additional information required by the ~~State Bureau of Investigation~~ Bureau. The person's fingerprints shall be used by the ~~State Bureau of Investigation~~ for a search of the State's criminal history record file, and the ~~State Bureau of Investigation~~ may forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department shall keep all information obtained pursuant to this subsection confidential. The State Bureau of Investigation may charge a fee to offset the cost incurred by it to conduct a criminal record check under this ~~section~~ subsection. The fee shall not exceed the actual cost of locating, editing, researching, and retrieving the information.

~~In the event that~~ If an applicant has secured a professional employer organization license in another state in which the professional employer organization's controlling persons have

completed a criminal background investigation within 12 months of this application, a certified copy of the report from the appropriate authority of that state ~~may satisfy~~ satisfies the requirement of this subsection. This subsection also applies to a change in the officers, directors, and other controlling persons of professional employer organizations and professional employer organization groups licensed under this Article. For purposes of investigation under this subsection, the Commissioner ~~shall have~~ has all the power conferred by G.S. 58-2-50 and other applicable provisions of this Chapter.

(e) An application for licensure of a professional employer organization group shall contain the information and submissions required by this section for each member of the group.

(f) No application is complete until the Commissioner has received all information and submissions required under subsections (a) through (e) of this section. Subsections (a) through (e) of this section do not apply to persons who are licensed pursuant to the alternative licensing procedures set forth in G.S. 58-89A-76.

(g) Repealed by Session Laws 2025-45, s. 4(d), effective July 1, 2025.

(g1) The Commissioner may deny the license of an applicant under this Article if the Commissioner finds any of the following:

- (1) ~~That an~~ An officer, director, or other controlling person ~~has~~ of the applicant has committed any of the following acts or omissions:
 - a. Not met the requirements of G.S. 58-89A-40.
 - b. Made any untrue material statement or omitted any material information regarding their background or experience.
 - c. Violated, or failed to comply with, any professional employer services law or any rule or order of the Commissioner or of any other State official or State agency responsible for the regulation of any aspect of the applicant's business.
 - d. Obtained or attempted to obtain the license through misrepresentation or fraud.
 - e. ~~Been Subject to G.S. 93B-8.1, been~~ convicted of a felony.
 - f. Been found in a final judgment or administrative proceeding to have committed fraud or an unfair trade practice.
 - g. Been an officer, director, or other controlling person in another professional employer organization that has had its license or registration suspended, terminated, or revoked by any state.
- (2) ~~That the~~ The applicant is not current with respect to all of its obligations for payroll, payroll-related taxes, workers' compensation insurance, and employee benefits and the applicant has failed to satisfy the Commissioner as to the reasons why.
- (3) ~~That the applicant does not possess:~~
 - a. ~~A tangible net worth of not less than fifty thousand dollars (\$50,000).~~
 - b. ~~Positive working capital, or in lieu of positive working capital, substitute security as provided under G.S. 58-89A-50(a).~~
- (4) ~~That the~~ The applicant has not provided evidence satisfactory to the Commissioner of financial responsibility.
- (5) ~~That the~~ The applicant has failed to satisfy the requirements of ~~G.S. 58-89A-50.~~ G.S. 58-89A-50.
- (6) ~~That a~~ A ground upon which the Commissioner could take disciplinary action against a licensee or other person subject to licensure requirements pursuant to G.S. 58-89A-155 applies to the applicant.

(h) If the Commissioner finds that the applicant has not fully met the requirements for licensure, the Commissioner shall refuse to issue the license and shall notify the applicant in writing of the denial, stating the grounds for the denial. To obtain a review to determine the

reasonableness of the Commissioner's denial, the applicant shall make written demand upon the Commissioner within 30 days after notice is given under G.S. 150B-38(c). The review shall be completed without undue delay, and the applicant shall be notified promptly in writing as to the outcome of the review. If the applicant disagrees with the outcome of the review and seeks a hearing, under Article 3A of Chapter 150B of the General Statutes, on the outcome of the review, the applicant shall make a written demand upon the Commissioner for the hearing within 30 days after notice of the outcome of the review is given under G.S. 150B-38(c).

(i) Removal, demotion, or discharge of an officer, director, or other controlling person in response to an order of the Commissioner of the alleged unsuitability of that ~~person~~individual is an affirmative defense to any claim by that individual based on the removal, demotion, or discharge.

(j) The Commissioner may, in the Commissioner's discretion, waive the required evaluation of an officer, ~~director~~director, or controlling person if that officer, ~~director~~director, or controlling person has been evaluated previously under this Article.

(k) After denial, suspension, or termination of a license, and before issuing a new license or reinstating a license, the Commissioner shall ~~review and consider~~consider both of the following:

- (1) The extent to which the applicant or licensee has adequately corrected any ~~problems; and~~problems.
- (2) Whether the applicant or licensee ~~had~~has exercised due diligence to avoid the reason ~~or reasons~~ for the ~~denial~~denial, suspension, or termination.

The applicant or licensee bears the burden of proof with respect to subdivisions (1) and (2) of this subsection."

SECTION 68.(d) This section is effective when it becomes law.

SECTION 69.(a) G.S. 93B-15.3 reads as rewritten:

"§ 93B-15.3. Licensure recognition for individuals licensed in neighboring states.

(a) Applicability. – This section applies to the licensure of individuals by all occupational licensing boards and State agency licensing boards except as provided in this subsection. This section shall not apply to the following:

- (1) ~~Licensure of any healthcare practitioner~~ Healthcare practitioners licensed under Chapter 90 of the General Statutes.
- (2) Architects licensed under Chapter 83A of the General Statutes.
- (3) Certified public accountants licensed under Chapter 93 of the General Statutes.
- (4) Engineers licensed under Chapter 89C of the General Statutes.
- (5) Veterinarians licensed, or veterinary technicians registered, under Article 11 of Chapter 90 of the General Statutes.
- (6) ~~Admission to the practice of law or licensure as an attorney~~ Attorneys admitted to practice law or licensed under Chapter 84 of the General Statutes.
- (7) ~~Licensure of any practitioner~~ Practitioners licensed by the North Carolina Pesticide Board under Article 52 of Chapter 143 of the General Statutes.
- (8) ~~Licensure of any practitioner~~ Practitioners licensed by the North Carolina Structural Pest Control Committee under Article 4C of Chapter 106 of the General Statutes.
- (9) Dealers, salesmen, issuers, investment ~~advisors, advisers,~~ investment ~~advisor~~ adviser representatives, and athlete agents under Chapters 78A, 78C, and 78D of the General Statutes.
- (10) ~~Certification of any practitioner~~ Practitioners certified by the North Carolina On-Site Wastewater Contractors and Inspectors Certification Board under Article 5 of Chapter 90A of the General Statutes.

- (11) ~~Licensure of any new motor vehicle dealer, used motor vehicle dealer, motor vehicle sales representative, representatives, manufacturer, factory branch, factory representative, representatives, distributor, distributor branch, distributor representative, representatives, or wholesaler and other individuals licensed under Article 12 of Chapter 20 of the General Statutes.~~
- (12) Insurance producers, adjusters, appraisers, bail bondsmen, runners, and other individuals licensed under Chapter 58 of the General Statutes.

(b) Licensure Recognition. – Notwithstanding any other provision of law, an occupational licensing board or a State agency licensing board subject to this section shall issue a license, certification, or registration to ~~any~~an applicant who establishes residence in this State and satisfies all of the following conditions:

- (1) The applicant is currently licensed, certified, or registered in Georgia, South Carolina, Tennessee, Virginia, or West Virginia in the discipline applied for in this State at the same or substantially equivalent practice level, as determined by the ~~occupational licensing board or State agency licensing board.~~
- (2) The applicant has been licensed, certified, or registered in one or more of the states listed in subdivision (1) of this subsection for at least one year.
- (3) The applicant has passed an examination required for the license, certification, or registration in the jurisdiction in which the applicant holds a current license, certification, or registration, if an examination was required.
- (4) The applicant is in good standing in all jurisdictions within the United States in which the applicant holds or has ever held a license, certification, or registration in the profession for which the applicant is seeking licensure, certification, or registration in this State.
- (5) The applicant has not voluntarily surrendered a license, certification, or registration or had a license, certification, or registration revoked in any jurisdiction ~~within~~in the United States as a result of unprofessional conduct related to the profession for which the applicant is seeking licensure, certification, or registration in this State.
- (6) The applicant demonstrates competency in the profession through methods determined by the ~~board, which~~ board. Demonstrating competency may include having met the minimum education, clinical supervision, or work experience requirements in effect in the originating state at the time the applicant obtained the license, certification, or registration from that state.
- (7) The applicant does not have any active or pending disciplinary actions from an occupational licensing board or agency in another jurisdiction ~~within~~in the United States and, if applicable, the occupational licensing board or State agency licensing board has completed verification under subsection (c) of this section.
- (8) The applicant does not have a disqualifying criminal history record, as determined by the ~~occupational licensing board or State agency licensing board~~ under G.S. 93B-8.1 and related provisions of law.
- (9) The applicant has paid all applicable fees, including fees for application processing, license issuance, verification of credentials, and background checks.

(c) Prior Disciplinary Actions. – If the applicant has any prior resolved disciplinary actions from an occupational licensing board or State agency licensing board at the time of application, the occupational licensing board or State agency licensing board to which the applicant is applying shall determine and verify that the disciplinary action is resolved and, if applicable, corrective action has been taken. If a disciplinary action is pending in another

jurisdiction, ~~an~~ the occupational licensing board or State agency licensing board shall suspend the application process for any license, certificate, or registration under this section until the disciplinary action has been resolved.

(d) Required Information. – Each occupational licensing board or State agency licensing board shall publish a document that lists the specific criteria or requirements for licensure, certification, or registration by the board under this section and any necessary documentation needed for satisfying the requirements. The information required by this subsection shall be published on the ~~occupational licensing board's or State agency licensing board's~~ website.

(e) Effect on Other Agreements. – Nothing in this section ~~shall be construed to prevent any~~ prevents an occupational licensing board or State agency licensing board in this State from entering into a reciprocity agreement with another jurisdiction or ~~to invalidate any~~ invalidates an existing reciprocity agreement between ~~any~~ an occupational licensing board or State agency licensing board in this State and another jurisdiction.

(f) Scope of License. – ~~Any~~ A license, certification, or registration granted by an occupational licensing board or State agency licensing board to any applicant under this section ~~shall be~~ is valid only in this State and does not extend validity to other jurisdictions, including through an interstate compact, unless otherwise provided by law or interstate agreement.

(g) Rights and Obligations. – ~~Any~~ An individual who is licensed, certified, or registered under this section ~~shall be~~ is entitled to the same rights and subject to the same obligations as required of an individual who was licensed, certified, or registered by an occupational licensing board or State agency licensing board in this State under any other provision of law.

(h) Alternative Pathway. – Nothing in this section ~~shall be construed to prohibit~~ prohibits an individual from proceeding under the existing licensure, certification, or registration requirements established by an occupational licensing board or State agency licensing board in this State."

SECTION 69.(b) G.S. 93B-15.3(a)(12), as enacted by subsection (a) of this section, is retroactively effective October 1, 2025, and applies to licensure applications submitted on or after that date. The remainder of this section is effective when it becomes law.

PART IV. EFFECTIVE DATE

SECTION 70. Except as otherwise provided, this act becomes effective October 1, 2026.

In the General Assembly read three times and ratified this the 1st day of July, 2026.

s/ Rachel Hunt
President of the Senate

s/ Destin Hall
Speaker of the House of Representatives

s/ Josh Stein
Governor

Approved 9:46 a.m. this 7th day of July, 2026