GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

H 2

HOUSE BILL 825 Committee Substitute Favorable 5/2/95

Short Title: Amend Funeral/Cremation Laws.	(Public)
Sponsors:	
Referred to:	

April 11, 1995

1 A BILL TO BE ENTITLED

AN ACT TO AMEND VARIOUS STATUTES RELATING TO THE PRACTICE OF FUNERAL SERVICE, CREMATIONS, AND FUNERAL AND BURIAL TRUST FUNDS.

The General Assembly of North Carolina enacts:

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Section 1. G.S. 90-210.20(e1) reads as rewritten:

"(e1) 'Funeral chapel' means a chapel or other facility separate from the funeral establishment premises for the reposing of dead human bodies, visitation or funeral ceremony, which is owned, operated, or maintained by a funeral establishment, establishment or other licensee under this Article, and which does not use the word 'funeral' in its name, on a sign, in a directory, in advertising or in any other manner; in which or on the premises of which there is not displayed or offered for sale any caskets or other funeral merchandise; in which or on the premises of which there is not located any funeral business office or a preparation room; in which or on the premises of which no funeral sales, financing, or arrangements are made; and which no owner, operator, employee, or agent thereof represents the chapel to be a funeral establishment."

Sec. 2. G.S. 90-210.25(a)(1) reads as rewritten:

"(1) To be licensed for the practice of funeral directing under this Article, a person must:

1	a.	Be at least 18 years of age,
2	b.	Be of good moral character,
3	c.	Have completed a minimum of 32 semester hours or 48 quarter
4		hours of instruction in a course of study including the subjects set
5		out in items_item_e.1. and 2. of this subsection in a mortuary
6		science college approved by the Board, or be a graduate of a
7		mortuary science college approved by the Board.
8	d.	Have completed 12 months of resident traineeship as funeral
9		director, pursuant to the procedures and conditions set out in G.S.
10		90-210.25(a)(4), either before or after satisfying the educational
11		requirement under item c. of this subsection, and
12	e.	Have passed an oral or written funeral director examination on
13		the following subjects:
14		1. Basic health sciences, including microbiology, hygiene, and
15		public health, Psychology, sociology, funeral directing,
16		business law, funeral law, funeral management and
17		accounting, and
18		2. Funeral service administration, including accounting,
19		psychology, funeral principles and directing, and
20		3. Laws of North Carolina and rules of the Board of
21		Mortuary Science and other agencies dealing with the
22		care, transportation and disposition of dead human
23		bodies."
24	Sec. 3. G.S.	90-210.25(a)(2) reads as rewritten:
25	"(2) To be	licensed for the practice of embalming under this Article, a person
26	must:	
27	a.	Be at least 18 years of age,
28	b.	Be of good moral character,
29	c.	Be a graduate of a mortuary science college approved by the
30		Board,
31	d.	Have completed 12 months of resident traineeship as an
32		embalmer pursuant to the procedures and conditions set out in
33		G.S. 90-210.25(a)(4), either before or after satisfying the
34		educational requirement under item c. of this subsection, and
35	e.	Have passed an oral or written embalmer examination on the
36		following subjects:
37		1. Basic health sciences, including anatomy, chemistry,
38		microbiology, pathology and forensic pathology,
39		Embalming, restorative arts, chemistry, pathology,
40		microbiology, and anatomy, and
41		2. Funeral service sciences, including embalming and
42		restorative art, and

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3. Laws of North Carolina and rules of the Board of Mortuary Science and other agencies dealing with the care, transportation and disposition of dead human bodies."

Sec. 4. G.S. 90-210.25(a)(3) reads as rewritten:

- "(3) To be licensed for the practice of funeral service under this Article, a person must:
 - a. Be at least 18 years of age,
 - b. Be of good moral character,
 - c. Be a graduate of a mortuary science college approved by the Board,
 - d. Have 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), either before or after satisfying the educational requirement under item c. of this subsection, and
 - e. Have passed an oral or written funeral service examination on the following subjects:
 - 1. Basic health sciences, including anatomy, chemistry, microbiology, pathology, forensic pathology hygiene and public health, Psychology, sociology, funeral directing, business law, funeral law, funeral management and accounting,
 - 2. Funeral service sciences, including embalming and restorative art, Embalming, restorative arts, chemistry, pathology, microbiology, and anatomy, and
 - 3. Funeral service administration, including accounting, psychology, funeral principles and directing, and
 - 4. Laws of North Carolina and rules of the Board of Mortuary Science and other agencies dealing with the care, transportation and disposition of dead human bodies."

Sec. 5. G.S. 90-210.25 is amended by adding a new subsection to read:

"(a1) Inactive Licenses. – Any person holding a license, issued by the Board for funeral directing, for embalming, or for the practice of funeral service 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 only activity that a holder of an inactive license may engage in is to vote pursuant to G.S. 90-210.18(c)(2). The holder of an inactive license may apply for an active license in the same category, and the Board shall issue an active license, provided that the applicant has completed in North Carolina 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 active license. The holder of an inactive license shall surrender the inactive license to the Board."

Sec. 6. G.S. 90-210.25(b)(3) reads as rewritten:

"(3) The Board may issue special permits, to be known as courtesy cards, permitting nonresident funeral directors, embalmers and funeral service licensees to remove bodies from and to arrange and direct funerals and embalm bodies in this State, but these privileges shall 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. Provided, except for special permits issued by the Board for teaching continuing education programs and for work in connection with disasters, no special permits may 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."

Sec. 7. G.S. 90-210.25(d) reads as rewritten:

"(d) Establishment Permit. –

- (1) No person, firm or corporation shall conduct, maintain, manage or operate a funeral establishment unless a permit for that establishment has been issued by the Board and is conspicuously displayed in the establishment. Each funeral establishment at a specific location shall be deemed to be a separate entity and shall require a separate permit and compliance with the requirements of this Article.
- (2) A permit shall be issued when:
 - a. It is shown that the funeral establishment has in charge a person, known as a manager, licensed for the practice of funeral directing or funeral service, who shall not be permitted to manage more than one funeral establishment.
 - b. The Board receives a list of the names of all part-time and full-time licensees employed by the establishment,
 - c. It is shown that the funeral establishment satisfies the requirements of G.S. 90-210.27A, and
 - d. The Board receives payment of the permit fee.
- (3) Applications for funeral establishment permits shall be made on forms provided by the Board and filed with the Board by the owner, a partner partner, a member of the limited liability company or an officer of the corporation by January 1 of each year, and shall be accompanied by the application fee or renewal fee, as the case may be. All permits shall expire on December 31 of each year.

A penalty for late renewal, in addition to the regular renewal fee, shall be charged for renewal of registration coming after the first day of February.

(4) The Board may suspend or revoke a permit when an owner, partner partner, manager, member, operator or officer of the funeral establishment violates any provision of this Article or any regulations of

the Board, or when any agent or employee of the funeral establishment, with the consent of any person, firm or corporation operating the funeral establishment, violates any of those provisions, rules or regulations.

(5) Funeral establishment permits are not transferable. A new application for a permit shall be made to the Board within 30 days of a change of ownership of a funeral establishment."

Sec. 8. G.S. 90-210.27A reads as rewritten:

"§ 90-210.27A. Funeral establishments.

- (a) Every funeral establishment shall contain a preparation room which is strictly private, of suitable size for the embalming of dead bodies. Each preparation room shall:
 - (1) Contain one standard type operating table;
 - (2) Contain facilities for adequate drainage;
 - (3) Contain a sanitary waste receptacle;
 - (4) Contain an instrument sterilizer;
 - (5) Have wall-to-wall floor covering of tile, concrete, or other material which 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; and
 - (8) Have a proper ventilation or purification system to maintain a nonhazardous level of airborne contamination.
- (b) No one is allowed in the preparation room while a dead human body is 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.
- (c) Every funeral establishment shall contain a reposing room for dead human bodies, of suitable size to accommodate a casket and visitors.
 - (d) No person who has been convicted of a felony shall:
 - (1) Own a funeral establishment if it is owned by a sole proprietorship;
 - Be a partner in a funeral establishment the owner of an interest of twentyfive percent (25%) or more in the partnership if it is owned by a partnership;
 - (3) Be an officer, member of the board of directors or owner of twenty-five percent (25%) or more of the stock if it is owned by a corporation. corporation:
 - (4) Be the owner of an interest of twenty-five percent (25%) or more in the limited liability company if it is owned by a limited liability company.
- (e) 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 of the board of directors must be licensed by the Board as a

funeral director or a funeral service licensee. <u>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.</u> The licensee required by this subsection must be actively engaged, on a day-to-day basis, in the operation of the funeral establishment.

- (f) If a funeral establishment uses the name of a living person in the name under which it does business, that person must be licensed by the Board as a funeral director or a funeral service licensee.
- (g) No funeral establishment <u>or other licensee under this Article</u> shall own, operate, or maintain a funeral chapel without first having registered the name, location, and ownership thereof with the Board."
 - Sec. 9. G.S. 90-210.41 reads as rewritten:

"§ 90-210.41. Definitions.

As used in this Article, unless the context requires otherwise:

- (1) 'Authorizing agent' means a person legally entitled to order the cremation of human remains. An authorizing agent shall be, in order of priority, a spouse, an adult child, a parent, any adult sibling, guardian or close relation of the deceased. In the case of indigents or any other individuals whose final disposition is the responsibility of the State, a public official charged with arranging the final disposition of the deceased, if legally authorized, may serve as the authorizing agent. In the case of individuals whose death occurred in a nursing home or other private institution, and in which the institution is charged with making arrangements for the final disposition of the deceased, a representative of the institution, if legally authorized, may serve as the authorizing agent. The authorizing agent for the cremation of a body part is the owner, if living and competent, or, if not, then the authorizing agents set forth in this subdivision according to the order of priorities in this subdivision.
- (2) 'Board' means the North Carolina State Board of Mortuary Science.
- (3) 'Casket' means a rigid container which is designed for the encasement of human remains and which is usually constructed of wood, metal or other rigid material and ornamented and lined with fabric.
- (4) 'Closed container' means any container in which cremated remains can be placed and closed in a manner so as to prevent leakage or spillage of cremated remains or the entrance of foreign material.
- (5) 'Cremated remains' means all human remains recovered after the completion of the cremation process, including pulverization which leaves only bone fragments reduced to unidentifiable dimensions.
- (6) 'Cremation' means the technical process, using heat, that reduces human remains to bone fragments.
- (7) 'Cremation chamber' means the enclosed space within which the cremation process takes place. Cremation chambers covered by this Article shall be used exclusively for the cremation of human remains.

- (8) 'Cremation container' means the container in which the human remains are placed in the cremation chamber for a cremation. A cremation container must meet all of the standards established by the rules adopted by the Board.
- (9) 'Crematory' means the building or portion of a building that houses the cremation chamber and that may house the holding facility, business office or other part of the crematory business. A crematory must comply with any applicable public health laws and rules and must contain the equipment and meet all of the standards established by the rules adopted by the Board.
- (10) 'Crematory authority' means the North Carolina Crematory Authority.
- (11) 'Crematory operator' means the legal entity which is licensed by the Board to operate a crematory and perform cremations.
- (12) 'Holding facility' means an area within or adjacent to the crematory, designated for the retention of human remains prior to cremation. A holding facility must comply with any applicable public health laws and rules and must meet all of the standards established by the rules adopted by the Board.
- (13) 'Human remains' means the body of a deceased person, or part of a body or limb that has been removed from a living or deceased person. or a human fetus, regardless of the length of gestation, or part of a body that was surgically removed or otherwise separated from a person who was living when the part was removed or separated, or part of a body that was separated accompanying the trauma connected with the death.
- (14) 'Niche' means a compartment or cubicle for the memorialization or permanent placement of an urn containing cremated remains.
- (15) 'Scattering area' means a designated area for the scattering of cremated remains.
- (16) 'Temporary container' means a temporary receptacle for cremated remains, usually made of cardboard, plastic film or similar material designed to hold the cremated remains until an urn or other permanent container is acquired.
- (17) 'Urn' means a receptacle designed to permanently encase the cremated remains."

Sec. 10. G.S. 90-210.43 reads as rewritten:

"§ 90-210.43. 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 conduct a crematory in this State and may provide the necessary appliances and facilities for the cremation of human remains, provided that such person has secured a license as a crematory operator in accordance with the provisions of this Article.

- (b) A crematory may be constructed on or adjacent to any cemetery, on or adjacent to any funeral establishment that is zoned commercial or industrial, or at any other location consistent with local zoning regulations.
- (c) Application for a license as a crematory operator shall be made on forms furnished and prescribed by the Board. The Board shall examine the premises and structure to be used as a crematory and shall issue a <u>renewable</u> license to the crematory operator if the applicant meets all the requirements and standards of the Board and the requirements of this Article. In the event of a change of ownership of a crematory, at least 30 days prior to the change the new owners shall provide the Board with the name and address of the new owners. All licenses shall expire on the last day of December of each year. A license may be reinstated without penalty on or before the first day of February immediately following expiration, a license may be reinstated by payment of a late renewal penalty in addition to the annual renewal fee. Licenses that remain expired six months or more require a new application for reinstatement. Licenses are not transferable. A new application for a license shall be made to the Board within 30 days following a change of ownership of more than fifty percent (50%) of the business.
- (d) Every application for licensure shall identify the individual who is responsible for overseeing the management and operation of the crematory. The crematory operator shall keep the Board informed at all times of the name and address of the manager.
- (e) 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 under the limitations provided in this Article. Article, or unless otherwise permitted by statute.
- (f) Whenever the Board finds that an any owner, partner partner, manager, member or officer of a crematory operator or an applicant to become a crematory operator, or that any agent or employee of a crematory operator or an applicant to become a crematory operator, with the direct or implied permission of such owner, partner partner, manager, member or officer, has violated any provision of this Article, or is guilty of any of the following acts, and when the Board also finds that the crematory operator or applicant has thereby become unfit to practice, the Board may suspend, revoke, or refuse to issue or renew the license, in accordance with the procedures of Chapter 150B:
 - (1) Conviction of a felony or a crime involving fraud or moral turpitude;
 - (2) Fraud or misrepresentation in obtaining or renewing a license or in the practice of cremation;
 - (3) False or misleading advertising;
 - (4) Gross immorality, including being under the influence of alcohol or drugs while performing cremation services;
 - (5) Using profane, indecent or obscene language in the presence of a dead human body, and within the immediate hearing of the family or relatives of a deceased, whose body has not yet been cremated or otherwise disposed of;

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- Violating or cooperating with others to violate any of the provisions of (6) this Article or of the rules of the Board;
- **(7)** Violation of any State law or municipal or county ordinance or regulation affecting the handling, custody, care or transportation of dead human bodies;
- (8) Refusing to surrender promptly the custody of a dead human body or cremated remains upon the express order of the person lawfully entitled to the custody thereof, except as provided in G.S. 90-210.47(e);
- (9) Indecent exposure or exhibition of a dead human body while in the custody or control of a licensee.
- The Board and Crematory Authority may hold hearings in accordance with the provisions of this Article and Chapter 150B. Any such hearing shall be conducted jointly by the Board and the Crematory Authority. The Board and the Crematory Authority shall jointly constitute an 'agency' under Article 3A of Chapter 150B of the General Statutes with respect to proceedings initiated pursuant to this Article. The Board is empowered to regulate and inspect crematories and crematory operators and to enforce as provided by law the provisions of this Article and the rules adopted hereunder. Any crematory that, upon inspection, is found not to meet 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.

In addition to the powers enumerated in Chapter 150B of the General Statutes, the Board shall have the power to administer oaths and issue subpoenas requiring the attendance of persons and the production of papers and records before the Board in any hearing, investigation or proceeding conducted by it or conducted jointly with the Crematory Authority. 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 court of record. Any person who neglects or refuses to obey a subpoena issued by the Board shall be guilty of a Class 1 misdemeanor."

Sec. 11. G.S. 90-210.45 reads as rewritten:

"§ 90-210.45. Cremation procedures.

- No human body shall be cremated before the crematory operator receives a death certificate signed by the attending physician or an authorization for cremation signed by a medical examiner.
- Human remains shall not be cremated within 24 hours after the time of death, unless such death was a result of an infectious, contagious or communicable and dangerous disease as listed by the Commission of Health Services pursuant to G.S. 130A-134, and unless such time requirement is waived in writing by the medical examiner, county health director, or attending physician where the death occurred. In the event such death comes under the jurisdiction of the medical examiner, the human remains shall not be received by the crematory operator until authorization to cremate has been received in writing from the medical examiner of the county in which the death occurred.

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- In the event the crematory operator is authorized to perform funerals as well as cremation, this restriction on the receipt of human remains shall not be applicable.
- No unauthorized person shall be permitted in the crematory area while any human remains are in the crematory area awaiting cremation, being cremated, or being removed from the cremation chamber. Relatives of the deceased, the authorizing agent. medical examiners and law enforcement officers in the execution of their duties shall be authorized to have access to the holding facility and crematory facility.
- Human remains shall be cremated only while enclosed in a cremation container.
- (d) The simultaneous cremation of the human remains of more than one person within the same cremation chamber is forbidden.
- (d1) Every crematory shall have a holding facility, within or adjacent to the crematory, designated for the retention of human remains prior to cremation. The holding 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.
- (e) Crematory operators shall comply with standards established by the Board for the reduction and pulverization of human remains by the cremation process."
 - Sec. 12. G.S. 90-210.46(a) reads as rewritten:
- The authorizing agent shall provide the person with whom cremation arrangements are made with a signed statement specifying the ultimate disposition of the cremated remains, if known. A copy of this statement shall be retained by the crematory operator. The crematory operator may store or retain cremated remains as directed by the authorizing agent. Records of retention and disposition of cremated remains shall be kept by the crematory operator pursuant to G.S. 90-210.44."
 - Sec. 13. G.S. 90-210.47(b) reads as rewritten:
- A crematory operator shall have authority to cremate human remains only upon the receipt of a cremation authorization form signed by an authorizing agent. There shall be no liability of a crematory operator that cremates human remains pursuant to such authorization, or that releases or disposes of the cremated remains pursuant to such authorization."
 - Sec. 14. G.S. 90-210.60(3) reads as rewritten:
 - 'Insurance company' means any corporation, limited liability company, "(3) association, partnership, society, order, 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;".
 - Sec. 15. G.S. 90-210.67(a) reads as rewritten:
- No person may offer or sell preneed funeral contracts or offer to make or make any funded funeral prearrangements without first securing a license from the Board. There shall be two types of licenses: a preneed funeral establishment license and a preneed sales license. Only funeral establishments holding a valid establishment permit pursuant to G.S. 90-210.25(d) shall be eligible for a preneed funeral establishment

license. Employees and agents of such entities, upon meeting the qualifications to engage 1 2 in preneed funeral planning as established by the Board, shall be eligible for a preneed 3 sales license. The Board shall establish the preneed funeral planning activities that are 4 permitted under a preneed sales license. The Board shall adopt rules establishing such 5 qualifications and activities no later than 12 months following the ratification of this act. 6 Preneed sales licensees may sell preneed funeral contracts, prearrangement insurance 7 policies, and make funded funeral prearrangements only on behalf of one preneed funeral establishment licensee; provided, however, they may sell preneed funeral contracts, 8 9 prearrangement insurance policies, and make funeral prearrangements for any number of licensed preneed funeral establishments that are wholly owned by or affiliated with, 10 through common ownership or contract, the same entity; provided further, in the event 11 12 they engage in selling prearrangement insurance policies, they shall meet the licensing requirements of the Commissioner of Insurance. Every preneed funeral contract shall be 13 14 signed by a person licensed as a funeral director or funeral service licensee pursuant to 15 Article 13A of Chapter 90 of the General Statutes.

Application for a license shall be in writing, signed by the 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) of the applicant, and every <u>partner</u>, <u>member</u>, officer and director thereof if the applicant is a partnership, <u>limited liability company</u>, association, or corporation and any other information as the Board shall deem necessary. A preneed funeral establishment license shall be valid only at the address stated in the application or at a new address approved by the Board."

Sec. 16. G.S. 90-210.70(c) reads as rewritten:

"(c) If a corporation <u>or limited liability company</u> embezzles or fraudulently or knowingly and willfully misapplies or converts preneed funeral funds as provided in subsection (a) hereof or otherwise violates any provision of this Article, the officers, directors, <u>members</u>, agents, or employees responsible for committing the offense shall be fined or imprisoned as herein provided."

Sec. 17. Article 13D of Chapter 90 is amended by adding a new section to read:

"§ 90-210.73. Not public record.

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The names and addresses of the purchasers and beneficiaries of preneed funeral contracts filed with the Board shall not be subject to Chapter 132 of the General Statutes."

Sec. 18. This act is effective upon ratification.