



# HOUSE BILL 1003: Board of Funeral Service Modifications.

2025-2026 General Assembly

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<b>Committee:</b>	House Regulatory Reform. If favorable, re- refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	May 1, 2025
<b>Introduced by:</b>	Reps. B. Jones, Miller, Pyrtle, Colvin	<b>Prepared by:</b>	Aaron McGlothlin
<b>Analysis of:</b>	PCS to First Edition H1003-CSCC-7		Committee Counsel

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**OVERVIEW:** *The Proposed Committee Substitute for House Bill 1003 would make various changes to the laws governing the practice of funeral service, many of which are technical or clarifying.*

## BILL ANALYSIS:

**Part I** of the PCS would make the following revisions to the North Carolina Crematory Act (Article 13F of Chapter 90 of the General Statutes):

- Repeal the Crematory Authority, which is an advisory committee within the Board of Funeral Services (Board) that suggests rules to the Board for carrying out and enforcing the Crematory Act.
- Allow crematory managers to manage multiple crematories within a 50-mile radius of each other.
- Authorize a crematory to temporarily operate for 30 days without a crematory manager if certain conditions are met.
- Clarify the conditions that would constitute a change of ownership of a crematory, which would necessitate the new owner having to apply for a new crematory license or permit.
- Revise certain provisions relating to when the Board may take disciplinary action against a crematory licensee.
- Provide that the rights of disposition of human remains are governed under G.S. 130A-420 in the Public Health Laws, and repeal provisions in Article 13F that provide separate requirements for disposition of human remains.
- Require every crematory licensee and hydrolysis licensee to submit each month to the Board fees assessed per cremation or reduction.
- Provide that alkaline hydrolysis may only be performed by permitted funeral establishments, and must be performed on the physical premises of a permitted funeral establishment.

Part I would become effective October 1, 2025.

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**Part II** of the PCS would exempt transportation protection agreements from being regulated as a preneed funeral contract or as a life insurance policy. "Transportation protection agreement" would be defined as "an agreement that primarily provides for the coordination and arranging of all professional services related to the preparation of human remains or cremated remains for the purpose of initial and subsequent transportation of those remains."

This Part would also allow a licensed funeral director or an employee of a funeral establishment to request information from an insurance carrier related to a prospective beneficiary of a life insurance policy, if provided written authorization of the prospective policy beneficiary. The insurance carrier would be required to provide the funeral provider this information within no later than one business day.

**Part III** of the PCS would make various revisions to Article 13A (Practice of Funeral Service) of Chapter 90 of the General Statutes.

This Part would add definitions for "branch establishment," "principal funeral establishment," "alkaline hydrolysis," "embalming facility," and "funeral merchandise or funeral supplies."

## **Funeral Establishments**

- Allows a single funeral establishment manager to manage multiple funeral establishments within a 50-mile radius of the manager's principal funeral establishment.
- Allows a funeral establishment to temporarily operate for 30 days without a licensed manager, if certain conditions are met.
- Revises certain requirements related to funeral establishment preparation rooms.

## **Business Permit: Removal and Transportation**

- Creates a new business permit for engaging in the removal and transportation of a dead human body.
- Establishes a maximum application fee of \$300 for the removal and transportation business permit.
- Increases the maximum application fee for an individual removal and transportation permit, from \$125 to \$200.
- Revises certain provisions pertaining to when the Board may take disciplinary action against a removal and transportation permit holder.

## **Board of Funeral Service**

- Provides for an equal number of Board appointments from the North Carolina Funeral Directors Association and the Funeral Directors & Morticians Association of North Carolina, giving each trade association three appointments. Currently, the Funeral Directors Association has four appointments, and the Funeral Directors & Morticians Association has two appointments.
- Increases the maximum amount of attorney's fees and costs that the Board may recover associated with holding a disciplinary hearing, from \$2,500 to \$5,000.
- Revises certain provisions pertaining to when the Board may take disciplinary action against licensees.

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- Sets the maximum cap that the Board can charge licensees to attend Board-sponsored continuing education courses at \$50.

## **License/Permit Holders**

- Prohibits licensees from engaging in the practice of funeral directing or funeral service independently of a permitted funeral establishment.
- Specifies that the recovery of human tissue is prohibited in any funeral establishment, crematory, hydrolysis facility, or other facility licensed by the Board.
- Requires funeral establishments and crematories to identify (tag) decedent remains upon taking custody. Currently, these facilities must identify the remains prior to the point of burial or following cremation.
- Clarifies the conditions that would constitute a change of ownership of a funeral establishment, which would necessitate the new owner having to apply for a new funeral establishment permit.

## **Applicants for Licensure**

- Allows applicants for funeral director, embalmer, or funeral service licensee to have passed licensing exams within the past five years. Currently, applicants must have passed these exams within the past three years.
- Eliminates the 60-day waiting period for applicants to retake the licensing examination after failing two consecutive times.
- Allows resident trainees to serve under the supervision of a licensee who has been licensed for at least one year. Currently, resident trainees must serve under the supervision of a licensee who has been licensed for at least five years.
- Allows two resident trainees to train under the supervision of a registered resident trainee supervisor. Currently, only one resident trainee is allowed per supervisor.
- Mandates that all applicants consent to a criminal history record check.
- Authorizes the Board and an applicant to consent to the use of a criminal background check vendor other than the Department of Public Safety, provided that the cost of this background check is paid for by the applicant.
- Eases restrictions on out-of-State funeral directors, embalmers, or funeral service licensees to get licensed by reciprocity in North Carolina.
- Establishes immunity from civil liability for the Board and its officers and employees when acting in good faith and in compliance with law, for denying licensure to an applicant based on information provided in the applicant's criminal history record check.
- Revises a provision related to applicants for licensure who have criminal convictions for sexual offenses against a minor.

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**Part IV** of the PCS would make the following revisions to Article 13D (Preneed Funeral Funds) of Chapter 90 of the General Statutes:

- Allow funds deposited in trust under a revocable or irrevocable preneed funeral contract to be withdrawn by the trustee and used to purchase a prearrangement insurance policy, with written permission of the preneed funeral contract purchaser.
- Require a preneed licensee to observe any religious practices specified in writing by a preneed funeral contract purchaser, except to the extent that these practices interfere with the statutory requirements for cremation, or related to documentation and recordkeeping.
- Specify certain information that each preneed licensee must submit to the Board as part of its annual report on its preneed funeral contract sales.
- Clarify that it is the responsibility of the performing funeral home to file a certificate of performance with the Board upon fulfilment of the preneed funeral contract, and to require financial institutions to provide funds to those establishments actually performing service, rather than the original contracting establishment.
- Strengthen language requiring insurance companies to provide policy status information for any preneed insurance policy to both the preneed funeral establishment and the Board.
- Grant the Board authority to freeze the preneed funeral funds of a preneed funeral establishment if necessary to protect the purchaser of the preneed funeral contracts.
- Revise certain provisions pertaining to when the Board may take disciplinary action against funeral licensees.

**EFFECTIVE DATE:** Except as otherwise provided, this act would become effective when it becomes law.