



GENERAL STATUTES COMMISSION

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MEMORANDUM

To: House Judiciary 1
From: General Statutes Commission
Re: SB 857 (GSC Update Funeral Board and DOI Licensing)
Date: June 19, 2026

General Comments

This bill, recommended by the General Statutes Commission, updates the Board of Funeral Service statutes and amends various licensing programs by the Department of Insurance. The Commission recommends this bill pursuant to its statutory duties under G.S. 164-13 to continuously research and recommend technical corrections and to recommend "the enactment of such substantive changes in the law as the Commission may deem advisable." Parts I and II of the bill are requested by the Board of Funeral Service, and Part III of the bill is requested by the Department of Insurance.

Part I of the bill reorganizes Article 13A ("Practice of Funeral Service") of Chapter 90 of the General Statutes for greater clarity, uses the term "human remains" throughout the Article to be consistent with other statutes, amends Article 13F ("Cremations and Alkaline Hydrolysis") of Chapter 90 of the General Statutes to more coherently incorporate the currently authorized practice of alkaline hydrolysis by replacing "cremation" with the broader term "reduction," and makes other updating and technical changes. Part II of the bill makes conforming changes.

Part III of the bill amends the Department of Insurance's licensure programs for foreign or alien insurance companies, bail bondsmen and runners, and professional employer organizations and adds individuals licensed by the Department to a list of licensees exempted from a statute recognizing the licensure of individuals licensed in neighboring states. The Senate removed a recently added requirement that the applicant for a professional employer organization license have a tangible net worth of not less than \$50,000.

Specific Comments

Part I of the bill updates the Board of Funeral Service statutes as follows:

Section 1 amends the catch line of G.S. 90-210.22 to conform to the recodifications of the following sections.

Sections 2 through 4 recodify and consolidate provisions in G.S. 90-210.22.

Section 5 amends G.S. 90-210.18A to make a conforming change and to replace "permitted" with "allowed" to clarify that a permit is not being referenced.

Section 6 recodifies the definition of "transportation or removal of a dead human body" to G.S. 90-210.20.

Section 7 amends G.S. 90-210.20, which provides definitions for Articles 13A, 13D, and 13F of Chapter 90 of the General Statutes, as follows:

- In the introductory language, deletes unnecessary language and garbage language caused by past conflicting amendments.
- In subsection (2), replaces "dead human bodies" with "human remains," which is the defined term.
- In subdivisions (4), deletes substantive language that is moved to G.S. 90-210.27A.
- Repeals subdivision (5), which is the definition for burial, as unnecessary.
- In subdivision (6), tabulates language for clarity, makes a conforming change, and replaces legalese with plain English.
- Repeals subdivision (7), which is the definition for dead human bodies, because "human remains" is the term used.
- In subdivision (9), makes conforming changes and deletes substantive language that is moved to G.S. 90-210.27D.
- In subdivision (10), updates the definition of "embalming facility" to conform to the requirement that an embalming facility be operated by a funeral establishment and tabulates language for clarity.
- In subdivision (11), updates terms and makes conforming changes, including replacing "cremation" with "reduction," which includes both cremation and alkaline hydrolysis.
- In subdivision (15), moves language from G.S. 90-210.25(d), fixes punctuation, makes a conforming change, and deletes unnecessary language.
- In subsection (17), clarifies the definition of "funeral service" and moves language from the definition of "practice of funeral service."
- In subsection (18), clarifies that a funeral service licensee is licensed to practice both funeral directing and embalming.
- In subdivision (18e), adds a definition of "human remains" that is taken from Article 13F of Chapter 90 of the General Statutes.
- In subdivision (19), shortens the definition of "practice of funeral service" to reference the more elaborate definition of "funeral service."
- In subdivision (20), defines a principal funeral establishment as operating an ancillary branch funeral establishment, embalming facility, or chapel.
- In subdivisions (20a) through (20d), adds definitions for "reduced human remains," "reduction," "reduction facility," and "reduction licensee" to account for the practice of alkaline hydrolysis authorized by Article 13F of Chapter 90 of the General Statutes.
- In subdivisions (23) and (24), adds definitions for "transportation or removal permit," which applies to an individual, and "transportation or removal service permit," which applies to a business.

Section 8 amends the newly consolidated G.S. 90-210.22 to add subsection catch lines, to replace legalese with plain English, and to fix a reference.

Section 9 rewrites G.S. 90-210.23 to consolidate the powers and duties of the Board scattered throughout the Article into one list. Among its powers, the Board may adopt a seal, adopt rules, employ legal counsel and other assistants, supervise programs for resident trainees, approve schools of mortuary science, inspect regulated entities, acquire real property, hold hearings, and seek injunctive relief.

Section 10 amends G.S. 90-210.24 to consolidate all provisions relating to inspections by the Board's inspectors and to replace a list of regulated entities with the more comprehensive phrase,

"person that has a license, permit, or registration issued under this Article or Article 13D or 13F of this Chapter." It also shortens language and makes language gender-neutral.

Sections 11 and 12 amend G.S. 90-210.25 to list application requirements that apply to all applicants under this Article.

Section 13 recodifies language to G.S. 90-210.25D to discuss qualifications for a license to practice as a funeral service licensee. It shortens language, fixes the format of a citation and punctuation, and makes conforming changes.

Section 14 recodifies language to G.S. 90-210.25E to discuss qualifications for a license or provisional license to practice funeral directing. It shortens language, fixes the format of a citation, makes conforming changes, deletes language about fees, which is being consolidated in G.S. 90-210.28, and deletes duplicative language.

Section 15 recodifies language to G.S. 90-210.25F to discuss requirements for practicing as a funeral director or funeral service licensee. A funeral director or funeral service licensee must be connected with a funeral establishment or accredited college of mortuary science. This section repeals an exemption to this requirement that was originally set to expire in 2030 but is now no longer necessary.

Section 16 recodifies language to G.S. 90-210.25G to discuss qualification for a license to practice embalming. It shortens language, fixes the format of a citation, and makes conforming changes.

Section 17 adds a new G.S. 90-210.25H to discuss examinations. The Board may recognize examinations not prepared by the Board and may contract with a third party to administer examinations.

Section 18 recodifies language to G.S. 90-210.25I to discuss mortuary school students and school privileges. It also adds subsection catch lines, replaces legalese with plain English, and makes a conforming change.

Section 19 recodifies language to G.S. 90-210.25J to discuss applicants licensed in other states and courtesy cards. It adds subsection catch lines, deletes unnecessary language, fixes punctuation, and makes a conforming change.

Section 20 recodifies language to G.S. 90-210.25K to discuss continuing education required of funeral service, funeral director, and embalmer licensees. It adds subsection catch lines, deletes unnecessary language, deletes language about fees, which is being consolidated in G.S. 90-210.28, and fixes a reference.

Section 21 recodifies language to G.S. 90-210.25L to discuss resident traineeship for licensure as a funeral service licensee, funeral director, or embalmer. It adds subsection catch lines, affirmatively states that the Board must register an applicant who meets the qualifications, tabulates language for greater clarity, deletes duplicative language, provides that a licensee who supervises a resident trainee must register with the Board, and reorganizes language for clarity.

Section 22 recodifies language to G.S. 90-210.25M to discuss inactive licensees and trainees. It adds subsection catch lines and language on how a resident trainee may place his or her traineeship on inactive status.

Section 23 recodifies language to G.S. 90-210.25N to discuss the requirement and qualifications for a funeral establishment permit. It adds subsection catch lines and provides that an application for an initial permit must be submitted by the person designated as the intended manager of the funeral establishment.

Section 24 recodifies language to G.S. 90-210.25O to discuss the owning, naming, and management of a funeral establishment. It adds subsection catch lines, affirmatively states that a funeral establishment must register the name under which it operates with the Board, and shortens language. The Senate added that, if the funeral establishment's name includes the name of an individual, that individual must be licensed by the Board or must have been a licensee and an owner or manager of the funeral establishment when the Board issued the establishment's initial permit.

Section 25 amends G.S. 90-210.27A as follows:

- Requires a funeral establishment, other than a branch establishment, to contain a preparation room.
- Adds subsection catch lines, makes conforming changes, deletes unnecessary language, fixes the format of a citation, and adds a reference.
- In subsection (*l*), provides that the refrigeration requirement applies to unembalmed human remains.

Section 26 recodifies language to G.S. 90-210.27B, which provides that a funeral establishment shall ascertain the desires of the person with the authority to direct the disposal of the human remains. It also makes conforming changes.

Section 27 recodifies language to G.S. 90-210.27C to discuss the identification of bodies before burial or reduction. It also makes conforming changes.

Section 28 recodifies language to G.S. 90-210.27D to discuss prohibitions concerning human remains. It provides that a person shall treat human remains with respect at all times, shall not take a photograph or video of the human remains without the consent of the deceased's family, and shall handle human remains consistent with G.S. 130A-395. It also makes conforming changes and replaces legalese with plain English.

Section 29 recodifies language to G.S. 90-210.27E.

Section 30 recodifies language to G.S. 90-210.27F to discuss disclosure of prices for funeral merchandise and services. It adds subsection catch lines, replaces legalese with plain English, and fixes punctuation.

Section 31 recodifies language to G.S. 90-210.27G to discuss prohibitions on taking human tissue. It adds subsection catch lines, makes conforming changes, and clarifies language about eye donors.

Section 32 recodifies language to G.S. 90-210.27H to discuss the individual permit for transportation and removal of human remains, including qualifications and notification requirements for the permit.

Section 33 enacts a new G.S. 90-210.27I to discuss the business permit for transportation and removal of human remains, including notification, display, and professional liability insurance policy requirements.

Section 34 recodifies language to G.S. 90-210.27J to discuss persons exempted from the permit requirement for the transportation or removal of human remains, such as licensees and funeral establishments.

Section 35 recodifies language to G.S. 90-210.27K to discuss the prohibition on transporting human remains in the open cargo area or passenger area of a vehicle. It also discusses exemptions to this prohibition for emergency medical technicians, hospital employees, and others.

Section 36 enacts a new G.S. 90-210.27L to discuss the issue and display of licenses, permits, and certificates.

Section 37 recodifies language to G.S. 90-210.27M to discuss the expiration and renewal of licenses and permits.

Section 38 amends G.S. 90-210.28 to consolidate all provisions about fee amounts in the Article.

Section 39 recodifies language to G.S. 90-210.28A to consolidate the grounds for the Board to refuse to issue or renew a license or permit or to take disciplinary action against an individual. It also makes several conforming changes and moves language from G.S. 90-210.25(e)(2) about remedial or educational training as a prerequisite to license or permit reinstatement.

Section 40 recodifies language to G.S. 90-210.28B to discuss civil penalties and adds a reference to the Civil Penalty and Forfeiture Fund.

Section 41 recodifies language to G.S. 90-210.28C to discuss probation for licensees and permit holders.

Section 42 recodifies language to G.S. 90-210.28D to discuss disciplinary action against business permit holders.

Section 43 recodifies language to G.S. 90-210.25E to discuss the procedure for a Board obtaining criminal history background checks. It also deletes duplicative language and moves language for clarity.

Section 44 rewrites G.S. 90-210.29C to discuss the criminal offenses of practicing without authorization, abusing human remains, and selling embalming fluid.

Section 45 repeals all provisions of G.S. 90-210.25 that are not enacted or recodified by this act.

Section 46 amends Article 13D ("Preneed Funeral Funds") of Chapter 90 of the General Statutes as follows:

- In G.S. 90-210.60, replaces legalese with plain English and makes conforming changes.
- In G.S. 90-210.61, provides that a preneed licensee that purchases a prearrangement insurance policy shall notify the Board of the name and address of the insurance company.
- In G.S. 90-210.67, makes conforming changes and deletes obsolete or unnecessary language.
- In G.S. 90-210.68, deletes duplicative language, moves language for clarity, tabulates language for clarity, and clarifies that, if a preneed licensee is unable or unwilling to perform a preneed funeral contract, the Board shall order the contract to be transferred to a substitute preneed licensee. It also clarifies the duties of the substitute preneed licensee.

Section 47 amends G.S. 90-210.85 to provide that, if a burial association violates Article 13E of Chapter 90 of the General Statutes, the Board shall revoke its license and issue an order of dissolution.

Section 48 amends G.S. 90-210.107(i) to provide that an order of liquidation of a burial association by the Board shall direct the termination of all agreements for members' benefits and the liquidation of all records, property, and funds of the association. It also provides that the burial association shall file a final report with the Board no later than 30 days after completion of the liquidation.

Section 49 amends G.S. 90-210.121 to renumber definitions so that they appear in alphabetical order.

Section 50 recodifies for clarity language about hydrolyzing human remains containing a pacemaker or defibrillator.

Section 51 amends Article 13F ("Cremations and Alkaline Hydrolysis") of Chapter 90 of the General Statutes as follows:

- Repeals G.S. 90-210.120 as unnecessary.
- In G.S. 90-210.121, the definitions section for the Article:
 - Provides that the definitions also apply to Article 13A of Chapter 90 of the General Statutes.
 - Repeals definitions that have been moved to Article 13A.
 - Incorporates the concept of alkaline hydrolysis by updating definitions to refer to "reduction" and variations of that word.
 - Deletes substantive language that is being moved elsewhere in the Article.
 - Updates the definition of "reduction facility technician."
- In G.S. 90-210.123:
 - Discusses the requirements for a cremation license and hydrolysis license.
 - Requires the reduction of human remains to occur only in a reduction facility.
 - Discusses the qualifications of a reduction facility manager.
 - Makes conforming changes and replaces legalese with plain English.
- In G.S. 90-210.124A, makes a conforming change.
- In G.S. 90-210.125, discusses the information required on a reduction authorization form, makes conforming changes, and deletes duplicative language.
- In G.S. 90-210.126, discusses preneed reduction arrangements, including separate disclosures for cremation and alkaline hydrolysis, and makes conforming changes.
- In G.S. 90-210.127, discusses record keeping and makes conforming changes.
- In G.S. 90-210.128, discusses reduction containers, moves language from the definition of "cremation container," and makes conforming changes.
- In G.S. 90-210.129, discusses reduction procedures, makes conforming changes, moves language from G.S. 90-210.36(e) about disposal of liquid waste after hydrolysis, and reorganizes language for clarity.
- In G.S. 90-210.130, discusses the final disposition of reduced human remains and makes conforming changes.
- In G.S. 90-210.131, discusses the limitation of liability and makes conforming changes.
- In G.S. 90-210.132, discusses fees and makes conforming changes.
- In G.S. 90-210.133, discusses reduction licensee rights and makes conforming changes.

- In G.S. 90-210.134, discusses rulemaking, deletes unnecessary language, and makes conforming changes.
- In G.S. 90-210.135, discusses cremation societies and deletes unnecessary language.
- Repeals G.S. 90-210.136 because its provisions have been moved throughout the Article.

Part II of the bill makes conforming changes throughout the General Statutes:

Section 52 amends G.S. 15B-2(1) and (3) to make conforming changes.

Section 53 amends G.S. 15B-11(g) to make a conforming change.

Section 54 amends G.S. 32A-16(1) to make conforming changes.

Section 55 amends G.S. 32A-25.1 to make a conforming change.

Section 56 amends G.S. 58-58-97(d) to make conforming changes.

Section 57 amends G.S. 65-48(4) and (7) to make conforming changes.

Section 58 amends G.S. 88B-25 to make conforming changes.

Section 59 amends G.S. 90-210.25B(d) to make conforming changes.

Section 60 amends G.S. 90-210.69 to make conforming changes.

Section 61 amends G.S. 90-210.80 to delete unnecessary language and to make a conforming change.

Section 62 amends G.S. 90-210.81 to make a conforming change.

Section 63 amends G.S. 130A-412.16(h) to make a conforming change.

Section 64 amends G.S. 130A-420(a) to make conforming changes.

Section 65 amends G.S. 160A-341 to make conforming changes and to update a reference.

Part III of the bill amends various licensing programs of the Department of Insurance:

Sections 66(a) and (b) amend G.S. 58-16-5 to reorganize language for clarity and to add that a foreign or alien insurance company seeking licensure in this State shall show the Commissioner of Insurance that it has been successful in the conduct of its business.

Section 66(c) directs the Department of Insurance to adopt rules, and **Section 66(d)** provides that the section is effective when it becomes law.

Section 67 amends G.S. 58-71-75 to provide that a bail bondsman or runner seeking to renew a license shall prove that the bail bondsman or runner meets the qualifications for initial licensure.

Section 68(a) amends G.S. 58-89A-5 to modernize the format of definitions for the article on the licensing of professional employer organizations. The Senate deleted the definition of "tangible net worth" in this section, which had been previously added by Section 4(a) of S.L. 2025-45.

Section 68(b) amends G.S. 58-89A-50 to make a conforming change and to require an applicant for a professional employer organization license that elects to deposit securities to deliver to the Commissioner of Insurance a power of attorney authorizing the sale or transfer of the securities.

Section 68(c) amends G.S. 58-89A-60 to make a change to conform to G.S. 93B-8.1 and to delete duplicative language. The Senate removed the requirement that the applicant for a professional employer organization license have a tangible net worth of not less than \$50,000; this requirement was previously added by Section 4(e) of S.L. 2025-45.

Section 68(d) provides that the section is effective when it becomes law.

Section 69(a) amends G.S. 93B-15.3 to add insurance producers, adjusters, appraisers, bail bondsmen, runners, and other individuals licensed by the Department of Insurance to a list of licensees exempted from a statute recognizing the licensure of individuals licensed in neighboring states.

Section 69(b) provides that this exemption is retroactively effective October 1, 2025, and applicable to licensure applications submitted on or after that date, and that the remainder of the section is effective when it becomes law.

Part IV of the bill, which consists of **Section 70**, provides that, except as otherwise provided, this act becomes effective October 1, 2026.