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| Senate Engrossedfuneral services regulation; DHS |
| (now:  funeral services; DHS; advisory committee)State of ArizonaSenateFifty-sixth LegislatureFirst Regular Session2023 |
| SENATE BILL 1210 |
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An Act

amending sections 32‑321 and 32‑506, Arizona Revised Statutes; amending section 32‑1301, Arizona Revised Statutes, as amended by Laws 2022, chapter 257, section 3; repealing section 32‑1301, Arizona Revised Statutes, as amended by Laws 2022, chapter 279, section 1; amending section 32-1302, Arizona Revised Statutes; repealing sections 32‑1303, 32‑1304, 32‑1305 and 32‑1306, Arizona Revised Statutes; amending section 32‑1307, Arizona Revised Statutes; repealing section 32‑1308, Arizona Revised Statutes; amending title 32, chapter 12, article 1, Arizona Revised Statutes, by adding a new section 32‑1308; amending sections 32‑1309, 32‑1310, 32‑1311, 32‑1321, 32‑1322 and 32‑1323, Arizona Revised Statutes; repealing section 32‑1324, Arizona Revised Statutes; providing for transferring and renumbering; amending section 32‑1324, Arizona Revised Statutes, as transferred and renumbered; repealing sections 32‑1325 and 32‑1325.01, Arizona Revised Statutes; amending sections 32‑1326, 32‑1327, 32‑1328 and 32‑1329, Arizona Revised Statutes; repealing section 32‑1330, Arizona Revised Statutes; amending sections 32‑1331, 32‑1333, 32‑1334, 32‑1335 and 32‑1336, Arizona Revised Statutes; repealing section 32‑1337, Arizona Revised Statutes; amending sections 32‑1338, 32‑1339, 32‑1341, 32‑1342, 32‑1343, 32‑1344, 32‑1346, 32‑1347 and 32‑1361, Arizona Revised Statutes; amending title 32, chapter 12, article 3, Arizona Revised Statutes, by adding section 32‑1361.01; amending sections 32‑1365.02, 32‑1366, 32‑1367, 32‑1368, 32‑1369, 32‑1371, 32‑1372, 32‑1373, 32‑1374, 32‑1375, 32‑1376, 32‑1377, 32‑1381, 32‑1382, 32‑1383, 32‑1388, 32‑1389, 32‑1390, 32‑1390.01, 32‑1390.02, 32‑1391.01, 32‑1391.02, 32‑1391.03, 32‑1391.04, 32‑1391.09, 32‑1391.12 and 32‑1391.13, Arizona Revised Statutes; repealing sections 32‑1391.14 and 32‑1391.15, Arizona Revised Statutes; amending sections 32‑1391.16, 32‑1393, 32‑1394, 32‑1394.01, 32‑1395, 32‑1397, 32‑1397.01, 32‑1397.02, 32‑1398, 32‑1399, 32‑2194.03 and 41‑1092, Arizona Revised Statutes; repealing section 41‑3023.17, Arizona Revised Statutes; amending section 41‑3028.03, Arizona Revised Statutes; appropriating monies; relating to funeral services.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section   Section 32-321, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-321.  Nonapplicability of chapter

This chapter does not apply to the following persons while in the proper discharge of their professional duties:

1.  Medical practitioners licensed pursuant to this title who treat physical or mental ailments or disease.

2.  Persons who perform services without compensation in case of emergency or in domestic administration.

3.  Commissioned physicians and surgeons serving in the armed forces of the United States or other federal agencies.

4.  Students attending schools licensed pursuant to this chapter or chapter 5 of this title by the board while they are on school premises during school hours or off campus at a school‑sponsored event.

5.  Persons who are licensed pursuant to chapter 5 or 12 of this title or who work in a profession regulated under chapter 12 of this title.

6.  Shampoo assistants who shampoo hair under the direction of a barber licensed pursuant to this chapter.

7.  Persons who are in the custody of the state department of corrections and who perform services for persons in the custody of the state department of corrections.

8.  Persons who are participating in a department of economic security‑approved apprenticeship program in barbering as described in section 32‑322 while working with a mentor in an establishment that is licensed by the board.

9.  Persons who are licensed in another state, who are in this state for not more than two weeks and who provide services for persons who are attending an athletic, charitable, artistic or social event in this state. END\_STATUTE

Sec.   Section 32-506, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-506.  Nonapplicability of chapter

This chapter does not apply to the following persons while in the proper discharge of their professional duties:

1.  Medical practitioners who are licensed pursuant to this title if the practices treat physical or mental ailments or disease.

2.  Commissioned physicians and surgeons who are serving in the armed forces of the United States or other federal agencies.

3.  Persons who are licensed pursuant to chapter 3 or 12 of this title or who work in a profession that is regulated under chapter 12 of this title.

4.  Students who are attending schools licensed pursuant to this chapter by the board while they are on school premises during school hours or off campus at a school-sponsored event.

5.  Persons employed by theatrical groups who apply makeup, oils and cosmetics.

6.  Persons who sell makeup, oils and cosmetics and who apply such products during the process of selling such products.

7.  Shampoo assistants who shampoo hair under the direction of a cosmetologist or hairstylist licensed pursuant to this chapter.

8.  Services performed by and for persons who are in the custody of the state department of corrections.

9.  Persons who apply makeup, oils and cosmetics to patients in a hospital, nursing home or residential care institution with the consent of the patient and the hospital, nursing home or residential care institution.

10.  Persons who provide a service that results in tension on hair strands or roots by twisting, wrapping, weaving, extending, locking or braiding if the service does not include the application of dyes, reactive chemicals or other preparations to alter the color of the hair or to straighten, curl or alter the structure of the hair.

11.  Persons who provide threading.

12.  Persons who provide tanning services by means of airbrushing, tanning beds or spray tanning.

13.  Persons who apply makeup, including eyelash enhancements.  This paragraph does not apply if a person is engaging in the practice of aesthetics or cosmetology.  A person who is exempt pursuant to this paragraph shall post a sign in a conspicuous location in the person's place of business notifying the public that the person's services are not regulated by the board.

14.  Persons who dry, style, arrange, dress, curl, hot iron or shampoo and condition hair if the service does not include applying reactive chemicals to permanently straighten, curl or alter the structure of the hair and if the person takes and completes a class relating to sanitation, infection protection and law review that is provided by the board or its designee.  This paragraph does not apply if a person is engaging in the practice of aesthetics or cosmetology. A person who is exempt pursuant to this paragraph shall post a sign in a conspicuous location in the person's place of business notifying the public that the person's services are not regulated by the board.

15.  Persons who are participating in a department of economic security-approved apprenticeship program in cosmetology as described in section 32‑511 while working with a mentor in an establishment that is licensed by the board.

16.  Persons who are licensed in another state and who are working in this state at a charitable event that benefits a nonprofit organization.

17.  Persons who are licensed in another state, who are in this state for not more than two weeks and who provide services for persons who are attending an athletic, charitable, artistic or social event in this state.

18.  Persons who are enrolled in a school that is licensed by the board and who shampoo, rinse and apply cream rinse, conditioners and reconstructors to hair, including hair that has been treated with color or bleach. END\_STATUTE

Sec.   Heading change

A.  The chapter heading of title 32, chapter 12, Arizona Revised Statutes, is changed from "FUNERAL DIRECTORS AND EMBALMERS" to "FUNERAL INDUSTRY PROFESSIONALS".

B.  The article heading of title 32, chapter 12, article 1, Arizona Revised Statutes, is changed from "BOARD OF FUNERAL DIRECTORS AND EMBALMERS" to "FUNERAL SERVICES".

Sec.   Section 32-1301, Arizona Revised Statutes, as amended by Laws 2022, chapter 257, section 3, is amended to read:

START\_STATUTE32-1301.  Definitions

In this chapter, unless the context otherwise requires:

1.  "Accredited" means being recognized or authorized by the American board of funeral service education.

2.  "Administrative costs and expenses" means the cost of copies, transcripts, court reporter and witness fees, reimbursement for mileage and office of administrative hearings costs.

3.  "Alkaline hydrolysis" means a form of final disposition that includes all of the following:

(a)  Reducing a dead human body to essential elements through a water‑based dissolution process using alkaline chemicals, heat, agitation and pressure to accelerate natural decomposition.

(b)  Processing the hydrolyzed remains after they are removed from the alkaline hydrolysis vessel.

(c)  Placing the processed remains in a hydrolyzed remains container.

(d)  Releasing the hydrolyzed remains to an appropriate party.

4.  "Alkaline hydrolysis container":

(a)  Means a hydrolyzable or biodegradable closed container or pouch that is resistant to leakage of bodily fluids, that encases a dead human body and into which the body is placed before the container's insertion into an alkaline hydrolysis vessel.

(b)  Includes a hydrolyzable or biodegradable alternative container or casket.

5.  "Alkaline hydrolysis facility" means a building or structure containing one or more alkaline hydrolysis vessels for alkaline hydrolysis.

6.  "Alkaline hydrolysis operator" means a person who is trained to carry out the process of alkaline hydrolysis.

7.  "Alkaline hydrolysis vessel" means the container in which alkaline hydrolysis is performed.

8.  "Alternative container" means any unfinished wood box or other nonmetal receptacle or enclosure, without ornamentation or a fixed interior lining, that is designed for encasing human remains.

9.  "Authorizing agent" means a person who is legally entitled to order the cremation, disinterment or embalming of human remains pursuant to section 32‑1365.02.

10.  "Beneficiary" means a person whose future funeral arrangements will be handled by a funeral establishment pursuant to a prearranged funeral agreement.

11.  "Board" means the state board of funeral directors and embalmers.

12.  11.  "Business entity" includes any corporation, association, limited liability company, professional corporation, partnership, limited partnership, sole proprietorship, business trust, trust, joint venture and other business entity.

13.  12.  "Casket" means a rigid container that is designed to permanently encase human remains and that is usually constructed of wood, metal or synthetic substances and ornamented and lined with fabric.

14.  13.  "Change of ownership" means a transfer of a controlling legal or equitable interest in a licensed funeral establishment or crematory resulting from a sale or merger.  If the establishment or crematory is operated by a business entity, any transfer of the ownership of ten percent or more of the entity constitutes a change of ownership.

15.  14.  "Conviction" means a criminal adjudication or conviction by any state or federal court of competent jurisdiction, including a judgment based on a no contest plea, without regard to whether civil rights have been restored.

16.  15.  "Cremated remains" means the remaining bone fragments after cremation.

17.  16.  "Cremation" means the heating process that reduces human remains to bone fragments by combustion and evaporation.

18.  17.  "Cremation container" means a leak and spill resistant, rigid, combustible, closed receptacle into which human remains are placed before cremation.

19.  18.  "Cremationist" means a person who operates a crematory retort, who performs the actual cremation of human remains and who may be licensed pursuant to article 6 of this chapter.

20.  19.  "Crematory" means a building or portion of a building that is licensed pursuant to article 6 of this chapter and that houses a retort in which only human remains are cremated.

20.  "Department" means the department of health services.

21.  "Director" means the director of the department.

21.  22.  "Disciplinary action" means an action taken by the board to revoke or suspend a license or registration, to impose probationary requirements or civil penalties or to issue a letter of censure or reprimand to any person who is subject to this chapter and who violates any provision of this chapter or rules adopted by the board.

22.  23.  "Embalmer" means a person who is licensed pursuant to this chapter and who is engaged in embalming.

23.  "Embalmer's assistant" means a person who is registered pursuant to this chapter and who is engaged in embalming without the supervision of a an licensed embalmer.

24.  "Embalming" means the implementation of reconstructive procedures and the process of disinfecting and preserving a dead human body to retard organic decomposition by treating the body to reduce the presence and growth of organisms.

25.  "Financial institution" means a bank, savings and loan association, trust company or credit union that is lawfully doing business in this state and that is not affiliated with a funeral establishment.

26.  "Fixed price prearranged funeral agreement funded by trust" means any agreement or combination of agreements that establishes a fixed price for funeral goods and services, that requires a funeral establishment to provide those funeral goods and services at the price levels in effect at the time of the execution of the agreement and that requires the purchaser to convey all or a portion of the accrued interest to the funeral establishment at the time that the funeral goods and services are actually provided.

27.  "Funded by insurance" means that monies for a prearranged funeral agreement are paid directly to an insurance company licensed pursuant to title 20 on behalf of the beneficiary of the agreement.

28.  "Funeral directing" means arranging, directing or providing a service in the disposition of dead human bodies for compensation.

29.  "Funeral director" means a person who is licensed pursuant to this chapter and who is engaged in funeral directing.

30.  "Funeral establishment" means a business at a specific location that is licensed pursuant to this chapter and that is devoted to the care, storage or preparation for final disposition or transportation of dead human bodies.

31.  "Funeral goods and services":

(a)  Means any personal property or services that are typically sold or provided in connection with the final disposition of human remains, including caskets, alternative containers, outer burial containers, cremation containers, transportation containers, funeral clothing or accessories, monuments, grave markers, urns, embalming services, funeral directing services and similar funeral or burial items.

(b)  Does not include goods and services sold by cemeteries.

32.  "Good moral character" means that a person:

(a)  Has not been convicted of a class 1 or 2 felony by a court of competent jurisdiction.

(b)  Has not, within five years of applying for licensure or registration, been convicted of a felony or misdemeanor if the offense has a reasonable relationship to the person's proposed area of licensure or registration.

(c)  Has not, within five years of applying for licensure or registration, committed any act involving dishonesty, fraud, misrepresentation, breach of fiduciary duty, gross negligence or incompetence if the act has a reasonable relationship to the person's proposed area of licensure or registration.

(d)  Is not currently incarcerated in or on community supervision after a period of imprisonment in a local, state or federal penal institution or on criminal probation.

(e)  Has not engaged in fraud or misrepresentation in connection with an application for licensure or registration under this chapter or an examination required for licensure or registration.

(f)  Has not, within five years of applying for licensure or registration, had a license, registration or endorsement revoked or suspended by the board or by the funeral services licensing authority of any other jurisdiction.

(g)  Has not surrendered a license, registration or endorsement to the board or the funeral licensing authority of any other jurisdiction in lieu of disciplinary action.

(h)  Has not practiced funeral directing or embalming without a license in this state or any other jurisdiction that requires licensure to perform these activities.

33.  32.  "Holding facility" means a designated area for retaining human remains.

34.  33.  "Human remains" means a lifeless human body or parts of a human body that allow a reasonable inference that death occurred.

35.  "Intern" means a person who is licensed pursuant to this chapter and who is engaged in either or both of the following:

(a)  Embalming under the supervision of a licensed embalmer.

(b)  Arranging and directing funerals under the supervision of a licensed funeral director.

36.  "Intern trainee" means a person who intends to enter training as an intern and who is temporarily employed by a funeral establishment.

37.  34.  "License" means a written authorization that is issued by the board department and that entitles a person to act as a funeral director,  or embalmer, intern or alkaline hydrolysis operator or to operate a funeral establishment, crematory or alkaline hydrolysis facility in this state.

38.  35.  "Licensee" means a person to whom the board department has issued a license to act as a funeral director, embalmer, intern or alkaline hydrolysis operator or to operate a funeral establishment, crematory or alkaline hydrolysis facility in this state under this chapter.

39.  36.  "Manage" means:

(a)  That a responsible funeral director exercises control and oversight over all employees of a funeral establishment and over funeral transactions, including caring for dead human bodies, funeral services and activities and documenting and retaining records.

(b)  That a responsible cremationist exercises control and oversight over all employees of a crematory and crematory operations.

40.  37.  "National board examination" means the test or tests given by the international conference of funeral service examining boards to determine the entry level knowledge and skills of a person regarding funeral directing and embalming.

41.  38.  "Net interest" means interest earned on a prearranged funeral trust account minus applicable taxes, reasonable and necessary charges made by the financial institution and the annual service fee allowed to be deducted by the funeral establishment according to section 32‑1391.06, subsection B.

42.  39.  "Outer burial container" means a container that is designed for placement in a grave around a casket, including burial vaults, grave boxes and grave liners.

43.  40.  "Owner":

(a)  Means a person who owns ten percent or more of a business entity.

(b)  Does not include shareholders of companies who have a class of common equity stock listed or authorized to be listed on the New York stock exchange or the American stock exchange or listed on the NASDAQ stock market.

44.  41.  "Person legally responsible" means the person responsible for burying a dead body as determined in section 36‑831.

45.  42.  "Prearranged funeral agreement" means any agreement or combination of agreements under which a payment is made before the death of the intended beneficiary for funeral goods and services to be delivered or performed after the death of the beneficiary.

46.  43.  "Prearranged funeral trust account" means a trust account that is established at a financial institution and into which all monies paid on behalf of a beneficiary pursuant to a prearranged funeral agreement are deposited.

47.  44.  "Preparation" means washing, shaving, dressing or arranging hair on, applying cosmetics to or positioning bodily features on a dead human body and placing the dead human body in a casket.

48.  45.  "Processed cremated remains" means cremated remains after they are pulverized and cleaned, leaving primarily small bone fragments.

49.  46.  "Provisionally accredited" means being granted candidacy status by the American board of funeral service education.

50.  "Registration" means a written authorization that is issued by the board and that entitles a person to act as an assistant funeral director, an embalmer's assistant or a prearranged funeral salesperson in this state.

51.  47.  "Responsible cremationist" means a licensed cremationist who manages a crematory.

52.  48.  "Responsible funeral director" means a person who is licensed pursuant to this chapter, who is engaged in funeral directing and who manages and is accountable for a funeral establishment.

53.  49.  "Retort" means an enclosed space within which cremation takes place.

54.  ~~50.  "State equivalent examination" means the test or tests that are provided by the international conference of funeral service examining boards and offered by the~~ board ~~department to determine the entry level knowledge and skills of a person regarding funeral directing and embalming.~~

55.  51.  "Supervise" or "supervision" means that a licensed embalmer has responsibility for and is within sight and sound of a licensed intern person who is embalming a dead human body or a student who is assisting in embalming a dead human body.

56.  52.  "Temporary container" means a receptacle that is usually made of cardboard, rigid plastic or another similar material and that is designed to hold processed cremated remains until they are placed in an urn or another permanent container.

57.  53.  "Trust funds" means all monies that are deposited on behalf of a beneficiary of a prearranged funeral agreement funded by trust and all accrued net interest.  Trust funds shall be considered an account kept in suspense until distributed to the beneficiary, the funeral establishment or the estate of the beneficiary in accordance with this article.

58.  54.  "Universal precautions" means the universal blood and fluid precautions recommended by the centers for disease control of the United States public health service to prevent the transmission of bloodborne and bodily fluid‑borne infectious diseases.

59.  55.  "Unprofessional conduct" includes the following acts, whether occurring in this state or elsewhere:

(a)  Committing a class 1 or 2 felony.

(b)  Committing a felony or misdemeanor if the offense has a reasonable relationship to funeral directing or embalming.  Conviction by any court of competent jurisdiction or a plea of no contest is conclusive evidence of the commission.

(c)  Providing false, misleading or deceptive information on an application for licensure or registration pursuant to this chapter or on an examination required for licensure or registration.

(d)  Bribing or offering to bribe, directly or indirectly, a member an employee of the board department to influence the member's employee's actions in performing the member's employee's duties.

(e)  Wilfully interfering with an embalmer, funeral director or cremationist who has lawful custody of a dead human body in performing the embalmer's, funeral director's or cremationist's duty to embalm or prepare the body for burial, transportation or cremation.

(f)  Paying or causing monies or other valuable consideration to be paid to a person, other than an employee of a funeral establishment, to secure business regulated pursuant to this chapter from or through the person.

(g)  Violating any law of this state or any rule adopted by the department of health services that relates to embalming or preparing dead human bodies.

(h)  Certifying falsely to having embalmed or prepared a dead human body that was embalmed by a  another person other than a licensed embalmer making the certification or an intern under the supervision of a licensed embalmer making the certification.

(i)  Falsely advertising or labeling any service or merchandise with the intention of deceiving the public.

(j)  Shipping or delivering any merchandise or supplies that are not the substantial equivalent of or superior in quality to merchandise or supplies previously presented to the purchaser as samples.

(k)  Committing any act involving dishonesty, fraud, misrepresentation, breach of fiduciary duty, gross negligence or incompetence if the act has a reasonable relationship to funeral directing or embalming.

(l)  Engaging in any conduct or practice that is reasonably related to funeral directing or embalming and that is or may be harmful or dangerous to the health, safety or welfare of the public.

(m)  Within a period of five years, having a license, registration or endorsement suspended or revoked by the board department or by the funeral services licensing regulating authority of this state or any other jurisdiction or surrendering a license, registration or endorsement in lieu of disciplinary action.

60.  56.  "Urn" means a receptacle into which processed cremated remains are placed for disposition. END\_STATUTE

Sec.   Repeal

Section 32-1301, Arizona Revised Statutes, as amended by Laws 2022, chapter 279, section 1, is repealed.

Sec.   Section 32-1302, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1302.  Advisory committee; members; appointment; terms; compensation; meetings; duties; annual evaluation

A.  The state board of funeral directors and embalmers is established An advisory committee is established to collaborate with and assist the director in performing the duties prescribed in this chapter. The board advisory committee consists of seven members who are appointed by the governor pursuant to section 38‑211.  Advisory committee members serve at the pleasure of the governor. Board members serve for staggered terms of four years beginning and ending on January 1 unless removed by the governor. The governor shall appoint a member for the unexpired portion of a term to fill a vacancy occurring during a term of office. The advisory committee shall include:

B.  Each member of the board shall be a resident of this state.

1.  Three Two members shall be practicing who are funeral directors or embalmers licensed under this chapter.

2.  One member who is an embalmer licensed under this chapter.

3.  One member who is a cremationist licensed under this chapter.

4.  Four members shall be Three public members who are residents of this state, one of whom is an owner or manager of a business that has no pecuniary or proprietary interest in a funeral establishment or crematory or in the sale of funeral goods and services.  The public members shall not be licensed under this chapter currently or have been licensed under this chapter in the five years preceding appointment.

C.  Before entering office, each appointee shall take and subscribe to an oath before an officer competent to administer oaths that the appointee is qualified to hold office and will faithfully perform the duties imposed on board members by law.

D.  Members of the board are eligible to receive compensation pursuant to section 38‑611 for each day of actual service in the business of the board.

B.  Members of the advisory committee shall not receive compensation but shall be reimbursed for subsistence expenses pursuant to section 38‑624 and travel expenses pursuant to section 38-623.

C.  The advisory committee shall annually select from its membership a chairperson for the advisory committee.

D.  The advisory committee shall hold meetings:

1.  Twice per year at a time and place designated by the chairperson.

2.  At the director's request.

E.  The advisory committee shall:

1.  Provide the director with such recommendations as it deems necessary and beneficial to the best interests of the public.

2.  Provide recommendations on specific questions or proposals as the advisory committee deems necessary or as requested by the director.

F.  The advisory committee shall annually present to the governor an evaluation of the performance of the director and the department relating to enforcing and administering this chapter. END\_STATUTE

Sec.   Repeal

Sections 32-1303, 32-1304, 32-1305 and 32-1306, Arizona Revised Statutes, are repealed.

Sec.   Section 32-1307, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1307.  Powers and duties of department

A.  The board department shall:

1.  Administer and enforce this chapter and the rules adopted pursuant to this chapter.

2.  Adopt a seal.

3.  2.  Maintain a record of the name and the mailing or employer's business address of each licensee and registrant.

4.  3.  Investigate alleged violations of this chapter and the rules adopted pursuant to this chapter.

5.  4.  In accordance with title 41, chapter 6, adopt rules that include provisions relating to the following:

(a)  The keeping and disposition of records by licensees and registrants.

(b)  Standards of practice, professional conduct, competence and consumer disclosure relating to owning or operating a funeral establishment or crematory, funeral directing, embalming and cremation.

(c)  The prohibition of deceptive, misleading or professionally negligent practices in advertising, offering or selling funeral goods or and services by funeral establishments, crematories,  and licensees and registrants and agents of funeral establishments, crematories,  and licensees and registrants.  The rules shall specifically prohibit misrepresentation of the legal requirements concerning preparing and interring dead human bodies.

(d)  Standard price disclosure formats and price list requirements and definitions to facilitate price comparisons by members of the public.

(e)  Guidelines to enable members of the public to determine the substantial equivalency of funeral goods available for sale to the public.

(f)  Administrative and investigative procedures.

(g)  The efficient administration of the board's department's affairs and the enforcement of this chapter.

(h)  The inspection of all funeral establishments, crematories and alkaline hydrolysis facilities at least once every five years.

(i)  Any other matters the board department deems necessary to carry out this chapter.

B.  The board department may:

1.  Subject to title 41, chapter 4, article 4, employ investigative, professional and clerical employees as it deems necessary to carry out this chapter.  Compensation of these employees shall be determined pursuant to section 38‑611.

2.  Appoint citizen advisory committees to make recommendations to the board concerning enforcing and administering this chapter.

3.  2.  In connection with investigations or administrative hearings, issue subpoenas to compel the attendance of witnesses and the production of books, papers, contracts, agreements and other documents or records in any form, administer oaths and take testimony and evidence concerning all matters within its jurisdiction.  The board department may pay the fees and expenses of witnesses who appear in any proceeding before the board department.  If a person refuses to obey a subpoena issued by the board department, the board department may invoke the aid of any court in this state to require the attendance and testimony of witnesses and the production of documentary evidence.

4.  3.  Contract with other state and federal agencies as it deems necessary to carry out this chapter.

5.  4.  Charge reasonable fees to distribute materials that the board department prints or has printed at its expense and for the costs of mailing these materials.

6.  5.  Charge the reasonable costs of a fingerprint background check to an applicant for licensure or registration. END\_STATUTE

Sec.   Repeal; transfer of monies

A.  Section 32-1308, Arizona Revised Statutes, is repealed.

B.  All unexpended and unencumbered monies remaining in the board of funeral directors' and embalmers' fund established by section 32‑1308, Arizona Revised Statutes, as repealed by subsection A of this section, are transferred to the ~~funeral directors~~ HEALTH SERVICES LICENSING fund established by section ~~32‑1308~~ 36-414, Arizona Revised Statutes, as ~~added~~ AMENDED by this act, on the effective date of this section.

Sec.   Title 32, chapter 12, article 1, Arizona Revised Statutes, is amended by adding a new section 32-1308, to read:

START\_STATUTE32-1308.  ~~Funeral directors fund~~ Fees and monies collected; civil penalties

~~A.  The funeral directors fund is established consisting of fees and other monies collected under this chapter. The department shall administer the fund. the department shall use the monies to implement and enforce this chapter.  Monies in the fund are SUBJECT TO legislative appropriation.~~

~~B.  On notice from the department, the state treasurer shall invest and divest monies in the funeral directors fund as provided by section 35‑313, and monies earned from investment shall be credited to the fund. END\_STATUTE~~

A. the department shall deposit, pursuant to sections 35-146 and 35-147, all fees and other monies collected under this chapter in the health services licensing fund established by 36-414.

B. All civil penalties collected under this chapter shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

Sec.   Section 32-1309, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1309.  Fees

A.  The board DEPARTMENT shall establish and collect ~~the following~~ application fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT FOR EACH OF THE FOLLOWING:

1.  ~~For~~ a funeral director license~~, $85~~.

2.  ~~For~~ an embalmer license~~, $85~~.

3.  For an embalmer's assistant registration, $85.

4.  For an intern license, $85.

5.  3.  ~~For~~ a funeral director or embalmer license for a person who does not reside in this state~~, $85~~.

6.  For a prearranged funeral salesperson registration, $85.

7.  4.  ~~For~~ a funeral establishment license:

(a)  For a new establishment, new owner or new location~~, $500~~.

(b)  For a change of name~~, $175~~.

8.  ~~5.  For a prearranged funeral sales establishment endorsement, $185.~~

9.  6.  ~~For~~ a crematory license:

(a)  For a new crematory, new owner or new location. ~~, $100 per retort.~~

(b)  For a change of name~~, $175~~.

10.  7.  ~~For~~ a cremationist license~~, $85~~.

11.  8.  ~~For~~ an alkaline hydrolysis facility license:

(a)  For a new alkaline hydrolysis facility. ~~, a fee in an amount to~~ ~~be determined by the~~ board ~~department.~~

(b)  For a change of name or location. ~~, a fee in an amount to be determined by the~~ board ~~department.~~

12.  9.  ~~For~~ an alkaline hydrolysis operator license. ~~, a fee in an amount to be determined by the~~ board ~~department.~~

13.  10.  ~~For~~ an interim alkaline hydrolysis facility permit. ~~, a fee in an amount to be determined by the~~ board ~~department.~~

14.~~11.  For extension of an interim alkaline hydrolysis facility permit, a fee in an amount to be determined by the~~ board ~~department.~~

~~B.  The~~ board ~~department shall establish and collect the following examination fees:~~

~~1.  For the funeral director state laws and rules examination, $80.~~

~~2.  For the embalmer state laws and rules examination, $80.~~

~~3.  For the prearranged funeral salesperson state laws and rules examination, $80.~~

~~4.  For the funeral service science section of the state equivalent examination, $150.~~

~~5.  For the funeral service arts section of the state equivalent examination, $150.~~

C.  The board department shall establish and collect ~~the following~~ license and registration issuance fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT:

1.  ~~For~~ a funeral director license~~, $85~~.

2.  ~~For~~ an embalmer license~~, $85~~.

3.  For an embalmer's assistant registration, $85.

4.  For an intern license, $85.

5.  For a prearranged funeral salesperson registration, $85.

6.  3.  ~~For~~ a cremationist license~~, $85~~.

7.  4.  ~~For~~ an alkaline hydrolysis facility license, a fee in an amount to be determined by the board department.

8.  5.  ~~For~~ an alkaline hydrolysis operator license, a fee in an amount to be determined by the board department.

D.  The board department shall establish and collect ~~the following~~ renewal fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT:

1.  ~~For~~ a funeral director license~~, $85~~.

2.  ~~For~~ an embalmer license~~, $85~~.

3.  For an embalmer's assistant registration, $85.

4.  For an intern license, $85.

5.  For an assistant funeral director registration, $85.

6.  For a prearranged funeral salesperson registration, $85.

7.  3.  ~~For~~ an establishment license, ~~$4~~ for each disposition performed by the establishment during the immediately preceding calendar year.  For the purposes of this paragraph, a funeral establishment performs a disposition each time the establishment files a death certificate pursuant to section 36‑325.

8. ~~4.  For a prearranged funeral sales establishment endorsement, $185.~~

9.  5.  ~~For~~ a crematory license, ~~$200~~ per retort.

10.  6.  ~~For~~ a cremationist license~~, $85~~.

11.  7.  ~~For~~ an alkaline hydrolysis facility license. ~~, a fee in an amount to be determined by the~~ board ~~department.~~

12.  8.  For an alkaline hydrolysis operator license. ~~, a fee in an amount to be determined by the~~ board ~~department.~~

E.  The board department shall establish and collect ~~the following~~ fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT:

1.  ~~For~~ a duplicate license or registration~~, $25~~.

2.  ~~For~~ a reexamination~~:~~

~~(a)~~  For a state laws and rules examination~~, $50~~.

~~(b)  For the funeral service science section or the funeral service arts section of the state equivalent examination, $65.~~

3.  ~~For~~ late renewal of a licensee or registration~~, $35~~.

4.  ~~For~~ late renewal of an establishment license or endorsement~~, $60.~~

5.  ~~For~~ inactive licensure or registration~~, $25~~.

6.  ~~For~~ reinstatement of an inactive license~~, $50~~.

7.  For reinstatement of an inactive registration, $130.

8.  7.  ~~For~~ an interim funeral establishment permit~~, $25~~.

9.  8.  ~~For~~ filing an annual trust report. ~~, a fee of not more than~~ ~~$200~~.

10.  9.  ~~For~~ filing a late or incomplete annual trust report. ~~, a penalty of not more than $200.~~

F.  The board may establish and collect a fee for intern trainees in an amount to be determined by the board. END\_STATUTE

Sec.   Section 32-1310, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1310.  Confidentiality; limited release to public

A.  All examination materials, records of examination grading and performance, and transcripts of educational institutions concerning applicants,  and licensees and registrants are confidential and are not public records.

B.  Complaints, investigative reports, documents, exhibits and other materials relating to an investigation are not public records and shall remain confidential except as provided in subsection subsections C and E of this section.

C.  On written request, the board DEPARTMENT shall release confidential information to the subject of an informal interview and to the public after the board votes to send DEPARTMENT SENDS a case to an informal interview.

D.  After the receipt of receiving a complaint, the board DEPARTMENT shall inform the licensee or registrant of the name of the complainant and the general nature of the complaint.

E.  During an investigation, following issuance of after the department issues a formal hearing or informal interview notice,  and after notifying notifies the licensee or registrant, the board DEPARTMENT may release the name of the complainant and the general nature of the complaint to the public. END\_STATUTE

Sec.   Section 32-1311, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1311.  Immunity

A.  Members, employees and agents of the board and members of citizen advisory committees are EMPLOYEES AND AGENTS of the department ARE immune from personal liability with respect to acts done and actions taken in good faith and in furtherance of the purposes of this chapter.

B.  Any person who reports or provides information to the board DEPARTMENT in good faith is not subject to an action for civil damages. END\_STATUTE

Sec.   Section 32-1321, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1321.  License requirement; persons not required to be licensed; nontransferability; display

A.  A person shall not advertise or engage in funeral directing or embalming without having a valid license or registration issued by the board department.

B.  This article does not prohibit:

1.  A student who is enrolled in a college of mortuary science that is recognized by the board department pursuant to section 32‑1336 from assisting a licensed embalmer in embalming dead human bodies pursuant to section 32‑1337.

2.  1.  A person from performing removals or arrangements or from directing funeral services if the person is under the direction of and accountable to a licensed funeral director.

3.  2.  A licensed cemetery employee from selling burial or final disposition items or from arranging or directing cemetery services.

C.  A license or registration issued by the board department is not transferrable or subject to sale or assignment, whether by a voluntary or involuntary process.

D.  A licensee or registrant shall conspicuously display the person's license or registration at the person's place of employment. END\_STATUTE

Sec.   Section 32-1322, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1322.  Embalmers and funeral directors; qualifications for licensure

A.  An applicant for licensure as an intern shall:

1.  Hold a high school diploma or its equivalent.

2.  Be a graduate of an accredited or provisionally accredited school of mortuary science.

3.  Be of good moral character.

B.  A.  An applicant for licensure as an embalmer shall:

1.  Pass the funeral service science section of the national board examination ~~or the state equivalent examination~~.

2.  Pass the embalmer state laws and rules examination.

3. BE A GRADUATE OF AN ACCREDITED OR PROVISIONALLY ACCREDITED SCHOOL OF MORTUARY SCIENCE.

4. HAVE SUCCESSFULLY ASSISTED IN EMBALMING AT LEAST TWENTY-FIVE DEAD HUMAN BODIES.

3.  Be of good moral character.

4.  Have been licensed as an intern for at least one year.

5.  Have successfully completed an internship program that included assisting in embalming at least twenty‑five dead human bodies.

C.  B.  An applicant for licensure as a funeral director shall:

1.  Pass the funeral service arts section of the national board examination ~~or the state equivalent examination~~.

2.  Pass the funeral director state laws and rules examination.

3. BE A GRADUATE OF AN ACCREDITED OR PROVISIONALLY ACCREDITED SCHOOL OF MORTUARY SCIENCE.

4. HAVE SUCCESSFULLY ASSISTED IN ARRANGING AND DIRECTING AT LEAST TWENTY-FIVE FUNERALS.

3.  Be of good moral character.

4.  Have held an active license as an intern for at least one year and have assisted in arranging and directing at least twenty‑five funerals. END\_STATUTE

C. AN APPLICANT FOR LICENSURE UNDER THIS SECTION MAY NOT HAVE A DISQUALIFYING CRIMINAL HISTORY AS DETERMINED BY THE DEPARTMENT PURSUANT TO SECTION 41-1093.04.

Sec.   Section 32-1323, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1323.  Embalmers and funeral directors; application for licensure

A.  An applicant for licensure as an intern shall submit a completed application on a form prescribed by the board.  The application shall be subscribed under oath and shall be accompanied by:

1.  Any educational, professional and employment information required by the board in its rules.

2.  Proof of the applicant's employment as an intern at an establishment licensed under article 4 of this chapter under the supervision of a funeral director or embalmer licensed under this article.

3.  A completed fingerprint card and the prescribed fingerprint background check fee.

4.  Any other information required by the board.

5.  All applicable fees pursuant to section 32‑1309.

B.  A.  An applicant for licensure as an embalmer or funeral director shall submit a completed application on a form prescribed by the board department.  The application shall be subscribed under oath and shall be accompanied by:

1.  Any educational, professional and employment information required by the board department in its rules.

2.  A completed fingerprint card and the prescribed fingerprint background check fee.

3.  Any other information required by the board department.

4.  All applicable fees pursuant to section 32‑1309.

C.  B.  If the board department finds that the applicant meets the criteria for licensure under this article and rules adopted by the board department, the board department shall issue the appropriate license. END\_STATUTE

Sec.   Repeal

Section 32-1324, Arizona Revised Statutes, is repealed.

Sec.   Section 32-1384, Arizona Revised Statutes, is transferred and renumbered for placement in title 32, chapter 12, article 2, Arizona Revised Statutes, as a new section 32‑1324 and, as so renumbered, is amended to read:

START\_STATUTE32-1324.  Multiple funeral director license; display; nontransferrability

A.  An applicant for a license as a funeral director who is proposing to manage and supervise the operations of more than one funeral establishment shall apply on a form prescribed by the board and department. The application shall be accompanied by the prescribed fee for the additional funeral establishment.

B.  The board department shall review the application for a multiple funeral director license, and, if it is reasonable to believe that the funeral establishments can be adequately supervised and managed by the applicant, the board department shall issue the license.

C.  A funeral director who holds a multiple funeral director license shall display the license at the funeral establishment to which the license is issued.  Unless otherwise stated in this article, a multiple funeral director license is renewable at the same time as the funeral establishment license.  A multiple funeral director license is not transferable without prior approval of the board department. END\_STATUTE

Sec.   Repeal

Sections 32-1325 and 32-1325.01, Arizona Revised Statutes, are repealed.

Sec.   Section 32-1326, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1326.  Embalmers and funeral directors; temporary licenses

The board department may issue a temporary embalmer or funeral director license to a person who is not licensed in this state in cases of emergency or public disaster or for educational purposes if the person holds an active license in good standing issued by the funeral services licensing authority of another jurisdiction.  The board department shall issue a license under this section only for the category of licensure for which the person holds an active license issued by another jurisdiction. A temporary license issued under this section is valid for thirty days. The board department may renew a temporary license once for a period of thirty or fewer days. END\_STATUTE

Sec.   Section 32-1327, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1327.  ~~State equivalent examination;~~ national board examination

A.  A person who desires to take ~~either~~ the ~~funeral service science~~ ~~section or the funeral service arts section of the state equivalent~~ NATIONAL BOARD examination shall submit to the board department:

1.  An examination application on a form prescribed by the board department.

2.  Documentation of a high school diploma or its equivalent.

3.  Documentation of the person's graduation from an accredited or provisionally accredited school of mortuary science.

4.  All applicable fees pursuant to section 32‑1309.

~~B.  The~~ board ~~department shall schedule and administer the state equivalent examination at least once each year.  The state equivalent examination shall consist of a~~ two part ~~two‑part written examination with at least seventy questions.~~

B.  A person who takes ~~both sections of the state equivalent~~ ~~examination or~~ the national board examination must achieve a passing score according to the standards of the international conference of funeral service examining boards.

D.  The board department shall accept a passing score that an applicant achieved on ~~a state equivalent examination or~~ a national board examination taken within the five years immediately preceding the date that the applicant filed a license application with the board department. END\_STATUTE

Sec.   Section 32-1328, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1328.  State laws and rules examination

A.  The board department shall administer a state laws and rules examination at least once every three months.  When the board department receives a license application, it shall schedule the applicable state laws and rules examination for the applicant.

B.  Each state laws and rules examination shall contain at least fifty questions on the following subjects:

1.  The provisions of this chapter and rules adopted by the board department pursuant to this chapter.

2.  The applicable provisions of title 36 and rules adopted by the department of health services pursuant to the applicable provisions of title 36.

C.  A score of seventy‑five or more is required to pass the state laws and rules examination.

D.  The board department shall accept the passing score of an applicant achieved on a state laws and rules examination taken within one year immediately preceding the date that the applicant filed a license application with the board department. END\_STATUTE

Sec.   Section 32-1329, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1329.  Reexamination

A.  An applicant who fails to pass the ~~state equivalent~~ NATIONAL BOARD examination or the state laws and rules examination may retake the examination within one year after the date that the applicant filed a license application with the board department.  A person who desires to retake ~~an~~ THE STATE LAWS AND RULES examination shall request that the board department schedule a second examination and shall submit the applicable fee pursuant to section 32‑1309.  ~~The state equivalent~~ ~~examination may not be retaken in the same calendar quarter.~~

B.  An applicant who fails to pass the ~~state equivalent~~ NATIONAL BOARD examination or the state laws and rules examination within one year after the date that the applicant originally filed a license application shall submit a new license application and the applicable fee pursuant to section 32‑1309. END\_STATUTE

Sec.   Repeal

Section 32-1330, Arizona Revised Statutes, is repealed.

Sec.   Section 32-1331, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1331.  Renewal of licenses

A.  Except as provided in section 32‑4301, each license and each registration issued under this article expires on August 1 of each year.

B.  A licensee or a registrant shall submit a renewal application and the applicable renewal fee pursuant to section 32‑1309 on or before July 1 of each year.  A license or registration renewal fee is nonrefundable.

C.  A licensee or a registrant who submits a renewal application and the applicable renewal fee after July 1 but before August 1 shall pay a late fee pursuant to section 32‑1309 in addition to the renewal fee.

D.  A licensee who fails to submit a renewal application and the applicable fee on or before August 1 shall apply for licensure as an original applicant. A person who submits a license application within three years after the date that the person's license expires is not required to pass the national board examination. ~~or state equivalent examination.~~

E.  A registered assistant funeral director who fails to submit a renewal application and the applicable renewal fee on or before August 1:

1.  Is not eligible for renewal of the person's registration.

2.  May apply for a funeral director license pursuant to this article.

F.  An embalmer's assistant who fails to submit a renewal application and the applicable renewal fee on or before August 1 may apply for reinstatement of the person's registration by submitting a completed reinstatement application on a form prescribed by the board and the applicable reinstatement fee within one year after the date that the person's registration expires.

G.  An intern license may not be renewed more than three times. END\_STATUTE

Sec.   Section 32-1333, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1333.  Notice of change in employment

A.  An intern who is licensed or an embalmer's assistant who is registered under this article shall notify the board in writing within ten business days after a change in employment.  The notice shall include the names of the new establishment and, if applicable, the new supervising licensed funeral director or embalmer.

B.  A.  An embalmer or funeral director who is licensed under this article shall notify the board department in writing within ten business days after a change in employment.  The notice shall include the names of the former and the new establishment.

C.  B.  A responsible funeral director who is licensed under this article shall notify the board department in writing within five business days after a change in employment, excluding Saturdays, Sundays and other legal holidays. END\_STATUTE

Sec.   Section 32-1334, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1334.  Inactive status

A.  A licensed embalmer, funeral director, cremationist or alkaline hydrolysis operator who retires from practicing embalming, funeral directing, cremation or alkaline hydrolysis and who is not currently practicing embalming, funeral directing, cremation or alkaline hydrolysis in this state may request that the board department place the person's license on inactive status.  The person shall submit the request on a form prescribed by the board department and shall pay the applicable fee pursuant to section 32‑1309.

B.  A person who holds an inactive license shall not practice:

1.  Embalming, funeral directing,  or cremation or alkaline hydrolysis in this state.

2.  Alkaline hydrolysis in this state unless there is another individual at the alkaline hydrolysis facility who operates or supervises the alkaline hydrolysis facility and who is licensed pursuant to this chapter.

C.  A person who holds an inactive license may request that the board department reactivate the person's license.  If an inactive licensee desires to reactivate a license, the inactive licensee shall submit a completed application on a form prescribed by the board department, the applicable fee pursuant to section 32‑1309, a completed fingerprint card and the prescribed fingerprint background check fee.  The person shall demonstrate that the person is of good moral character and shall pass the applicable state laws and rules examination. END\_STATUTE

Sec.   Section 32-1335, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1335.  Out‑of‑state licensees

A.  A person who holds an embalmer or funeral director license in good standing that was issued by the funeral services licensing authority of another jurisdiction and who desires an embalmer or funeral director license in this state shall meet the requirements and qualifications for licensure prescribed in this article.

B.  Notwithstanding subsection A of this section, the board department may waive the testing requirements of section 32‑1322, subsection B  A, paragraph 1 and subsection C  B, paragraph 1 if the person has actively practiced embalming or funeral directing in another jurisdiction within the three years immediately preceding the date that the person applies for a license in this state and the board department determines that the requirements for licensure in the other jurisdiction are equal to or more stringent than the requirements prescribed in this article.

C.  A person who holds an intern license or its equivalent in good standing that was issued by the funeral services licensing authority of another jurisdiction and who desires an intern, embalmer or funeral director license in this state shall meet the requirements and qualifications for licensure prescribed in this article. END\_STATUTE

Sec.   Section 32-1336, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1336.  Department recognition; colleges of funeral service education or mortuary science

The board department shall recognize any college of funeral service education or mortuary science that is either:

1.  Accredited or provisionally accredited by the American board of funeral service education.

2.  Approved by an accrediting agency that is recognized by the United States department of education and the council on postsecondary accreditation and requires a course of instruction in funeral service education or mortuary science that is equivalent to the course of instruction required by the American board of funeral service education. END\_STATUTE

Sec.   Repeal

Section 32-1337, Arizona Revised Statutes, is repealed.

Sec.   Section 32-1338, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1338.  Continuing education requirements; waiver

A.  A person who is licensed or registered pursuant to this article shall complete continuing education designed to educate the person regarding current skills and procedures and developments in the funeral industry. The board department may prescribe in its rules the number of hours of continuing education required each year, not to exceed sixteen six hours, and the subject matter that shall to be covered.

B.  The board department shall waive the continuing education requirements for persons whose licenses have been placed on inactive status and for persons who are serving in the United States armed forces in time of war.  The board department may waive the continuing education requirement for good cause shown as prescribed in its rules. END\_STATUTE

Sec.   Section 32-1339, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1339.  Fingerprinting of applicants; background checks

An applicant for registration under this article or for a license under this article other than a temporary license shall submit a full set of fingerprints to the board department of health services for the purpose of conducting a state and national federal criminal records check pursuant to section 41‑1750 and P.L. Public law 92‑544.  The department of public safety is authorized to exchange this fingerprint data with the federal bureau of investigation. END\_STATUTE

Sec.   Section 32-1341, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1341.  Alkaline hydrolysis facilities; license required

A person may not advertise or operate an alkaline hydrolysis facility without first obtaining an alkaline hydrolysis facility license issued by the board department. END\_STATUTE

Sec.   Section 32-1342, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1342.  Alkaline hydrolysis facilities; requirements

A.  An alkaline hydrolysis facility licensed under this article must meet all of the following:

1.  Have a building or structure that complies with applicable local and state building codes, zoning laws and ordinances and wastewater management and environmental standards and that contains one or more alkaline hydrolysis vessels.

2.  Use a method that is approved by the board DEPARTMENT to dry the hydrolyzed remains and that occurs within the licensed facility.

3.  Have a means approved by the board DEPARTMENT for refrigerating dead human bodies awaiting alkaline hydrolysis.

4.  Have an appropriate refrigerated holding facility for dead human bodies awaiting alkaline hydrolysis that maintains dead human bodies at or below thirty‑eight degrees fahrenheit.

B.  An alkaline hydrolysis facility:

1.  Shall employ a licensed alkaline hydrolysis operator to carry out the process of alkaline hydrolysis. This paragraph does not apply if the alkaline hydrolysis facility is operated or supervised by a ~~licensed funeral director~~ RESPONSBILE CREMATIONIST.

2.  Shall provide proper procedures for all personnel.

3.  Shall comply with this chapter and other applicable state and federal laws relating to occupational and workplace health and safety. END\_STATUTE

Sec.   Section 32-1343, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1343.  Alkaline hydrolysis operators; licensure; application; qualifications; fingerprinting; renewal

A.  An applicant for an alkaline hydrolysis operator license shall submit a completed application on a form prescribed by the board DEPARTMENT. The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309 and any additional information that the board DEPARTMENT deems necessary.

B.  An applicant for an alkaline hydrolysis operator license shall meet all BOTH of the following:

1.  Be of good moral character.

2.  1.  Submit a completed fingerprint card and the prescribed fingerprint records check fee to the board DEPARTMENT OF HEALTH SERVICES to enable the board DEPARTMENT OF HEALTH SERVICES or the department of public safety to conduct a criminal records check.

3.  2.  Meet the educational requirements as prescribed by the board DEPARTMENT in rule.

C. AN APPLICANT FOR LICENSURE UNDER THIS SECTION MAY NOT HAVE A DISQUALIFYING CRIMINAL HISTORY AS DETERMINED BY THE DEPARTMENT PURSUANT TO SECTION 41-1093.04.

C.  If the board department finds that the applicant meets the criteria for an alkaline hydrolysis operator license under this section and under rules adopted by the board department, the board department shall issue an alkaline hydrolysis operator license. a PERSON DOES NOT NEED TO BE LICENSED AS AN ALKALINE HYDROLYSIS OPERATOR IN ORDER TO PRACTICE AS AN ALKALINE HYDROLYSIS OPERATOR if the alkaline hydrolysis facility is operated or supervised by a ~~licensed funeral director~~ RESPONSBILE CREMATIONIST or another person who is a licensed alkaline hydrolysis operator.

D.  Except as provided in section 32‑4301, an alkaline hydrolysis operator license issued pursuant to this article expires on August 1 of each year.  A licensed alkaline hydrolysis operator shall submit a renewal application and the applicable nonrefundable renewal fee pursuant to section 32‑1309 on or before July 1 of each year.  A licensed alkaline hydrolysis operator that submits a renewal application and the applicable renewal fee after July 1 but before August 1 shall pay a late fee pursuant to section 32‑1309 in addition to the renewal fee.  A licensed alkaline hydrolysis operator that fails to submit a renewal application and the applicable fee on or before August 1 must apply for a new license pursuant to this article. END\_STATUTE

Sec.   Section 32-1344, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1344.  Alkaline hydrolysis facilities; licensure requirements; application; renewal

A.  An application for an alkaline hydrolysis facility shall be in a form prescribed by the board DEPARTMENT. If the applicant is a business entity, the entity shall direct a natural person who is an owner of the entity to submit its application. The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309 and any additional information that the board DEPARTMENT deems necessary. A business entity that applies for a license pursuant to this article shall submit to the board DEPARTMENT with its application for licensure a copy of its partnership agreement, its articles of incorporation or organization or any other organizational documents required to be filed with the corporation commission.

B.  An individual who applies for an alkaline hydrolysis facility license pursuant to this article, or if the applicant is a business entity, the owners, partners, officers, directors and trust beneficiaries of the entity, shall:

1.  Be of good moral character.

2.  submit a completed fingerprint card, criminal history background information and a fingerprint background check fee to the board DEPARTMENT.

C.  The board or the board's designee DEPARTMENT shall inspect the premises of an alkaline hydrolysis facility and investigate the character and other qualifications of all applicants for licensure pursuant to this article to determine whether the alkaline hydrolysis facility and the applicants are in compliance with the requirements of this article and rules adopted by the board DEPARTMENT.

D.  If the board DEPARTMENT finds that the applicant meets the criteria for licensure under this article and rules adopted by the board DEPARTMENT, the board DEPARTMENT shall issue an alkaline hydrolysis facility license.

E.  Except as provided in section 32‑4301, an alkaline hydrolysis facility license issued pursuant to this article expires on August 1 of each year.  A licensed alkaline hydrolysis facility shall submit a renewal application and the applicable nonrefundable renewal fee pursuant to section 32‑1309 on or before July 1 of each year.  A licensed alkaline hydrolysis facility that submits a renewal application and the applicable renewal fee after July 1 but before August 1 shall pay a late fee pursuant to section 32‑1309 in addition to the renewal fee.  A licensed alkaline hydrolysis facility that fails to submit a renewal application and the applicable fee on or before August 1 must apply for a new license pursuant to this article. END\_STATUTE

Sec.   Section 32-1346, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1346.  Alkaline hydrolysis facilities; nontransferability of license; interim permits; confidentiality; definition

A.  An alkaline hydrolysis facility license issued by the board DEPARTMENT is not transferable or subject to sale or assignment, whether by a voluntary or involuntary process.

B.  If a change of ownership of an alkaline hydrolysis facility occurs, the licensee shall notify the board DEPARTMENT in writing and shall surrender the license to the board DEPARTMENT within twenty days after the change of ownership. The new owner shall also notify the board DEPARTMENT in writing within twenty days after the change of ownership and shall submit an application for an alkaline hydrolysis facility license to the board DEPARTMENT pursuant to section 32‑1344.

C.  The board DEPARTMENT shall issue an interim permit to the new owner of an alkaline hydrolysis facility to allow the new owner to continue operating the alkaline hydrolysis facility during the period that the new owner's license application is pending if the following conditions are met:

1.  The new owner notifies the board DEPARTMENT of the change of ownership and submits an application for an interim permit and the applicable fee pursuant to section 32‑1309 at least three days, excluding Saturdays, Sundays and holidays, after the change takes place.  Notice shall be given during regular business hours.

2.  The alkaline hydrolysis facility continues to meet the requirements of section 32‑1342.

D.  An interim permit issued by the board DEPARTMENT pursuant to this section shall be for not more than forty‑five days and may not be extended except as provided in subsection E of this section.  An interim permit is a conditional permit and authorizes the holder to operate an alkaline hydrolysis facility as would be allowed under an alkaline hydrolysis facility license issued pursuant to this article.  The holder of an interim permit is subject to the licensing rules and disciplinary proceedings prescribed in this chapter and in rules adopted by the board DEPARTMENT pursuant to this article.

E.  Notwithstanding subsection D of this section, for good cause shown, the board DEPARTMENT may extend an interim permit for not more than forty‑five days.

F.  Until the new owner's license is issued, the board DEPARTMENT shall keep confidential all notices filed with the board DEPARTMENT by the prospective new owner of an alkaline hydrolysis facility pursuant to this section.

G.  For the purposes of this section, "regular business hours" means between the hours of 8:00 a.m. and 5:00 p.m. on any day of the week other than Saturday, Sunday or any other legal holiday or a day on which the board DEPARTMENT is authorized or obligated by law or executive order to close. END\_STATUTE

Sec.   Section 32-1347, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1347.  Change of name or location

A.  The owner of a licensed alkaline hydrolysis facility who desires to change the name of the alkaline hydrolysis facility shall submit an application on a form prescribed by the board DEPARTMENT.  The application shall be subscribed under oath and shall be accompanied by the applicable fee.

B.  The owner of a licensed alkaline hydrolysis facility shall submit an application on a form prescribed by the board DEPARTMENT to change the location of the alkaline hydrolysis facility.  The application shall be subscribed under oath and shall be accompanied by the applicable fee. Before the board DEPARTMENT approves a request for a change of location pursuant to this section, the owner shall demonstrate that the new location meets the requirements of this article. END\_STATUTE

Sec.   Section 32-1361, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1361.  ~~Prohibition of embalming by certain persons;~~ Licensed embalmers; supervision certification of embalming

A.  Only a licensed embalmer, a licensed intern, a registered embalmer's assistant or a student who assists a licensed embalmer in the embalming of dead human bodies pursuant to section 32‑1337 shall may embalm a dead human body, .  A licensed intern or student Except that another person who is employed by a funeral establishment and on a pathway to licensure may only embalm a dead human body under the direct supervision of a licensed embalmer.

B.  A licensed embalmer who embalms or supervises the embalming of a dead human body shall certify the embalming with the embalmer's signature and license number.

C. FOR THE PURPOSES OF THIS SECTION, A PERSON IS ON A PATHWAY TO LICENSURE IF BOTH OF THE FOLLOWING APPLY:

1. THE PERSON HAS BEEN EMPLOYED BY A FUNERAL ESTABLISHMENT FOR NOT MORE THAN THREE YEARS.

2. THE PERSON INTENDS TO BEOCME LICENSED AFTER ASSISTING IN EMBALMING AT LEAST TWENTY-FIVE DEAD BODIES OR ASSISTING IN ARRANGING AND DIRECTING AT LEAST TWENTY-FIVE FUNERALS.

~~Sec.   Title 32, chapter 12, article 3, Arizona Revised Statutes, is amended by adding section 32-1361.01, to read:~~

~~START\_STATUTE32-1361.01.  Licensed funeral director; funeral establishments, crematories and alkaline hydrolysis facilities; licensed cremationist; licensed alkaline hydrolysis operator~~

~~Each funeral establishment, crematory or alkaline hydrolysis facility that is licensed under this chapter must be operated or supervised by a licensed funeral director, except that instead of a licensed funeral director:~~

~~1.  a crematory may be operated or supervised by a licensed cremationist.~~

~~2.  An alkaline hydrolysis facility may be operated or supervised by a licensed alkaline hydrolysis operator. END\_STATUTE~~

Sec.   Section 32-1365.02, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1365.02.  Authorizing agents; consent for cremation, disinterment or embalming; definition

A.  Except as provided in section 32‑1365.01 and in subsection E of this section, it is unlawful to cremate or disinter a dead human body without prior written consent of the authorizing agent.

B.  Except as provided in section 32‑1365.01, it is unlawful to embalm a dead human body without prior oral or written consent of the authorizing agent.

C.  A funeral establishment shall create a written record of an oral consent given pursuant to this section that includes all of the following:

1.  The name of the authorizing agent.

2.  The relation of the authorizing agent to the deceased.

3.  The date and time that consent was given.

4.  The name of the person who obtained the consent.

5.  Any other information required by the board department.

D.  In determining who the proper authorizing agent is, the order of preference is the same as provided in section 36‑831. If there is more than one member in a category listed in section 36‑831 entitled to serve as the authorizing agent, final arrangements may be made by any member of that category unless that member knows of an objection by another member of the category. If an objection is known, final arrangements shall be made by a majority of the members of the category who are reasonably available.

E.  On the order of a court or a county medical examiner, or a person performing the duties of a county medical examiner, a dead human body shall be disinterred.

F.  If none of the persons listed in section 36‑831 is willing or financially capable of providing for the cremation or embalming of a dead human body, the public fiduciary or other person who is designated by the county in which a death occurs to handle funeral arrangements may order the cremation or embalming.

G.  A funeral establishment, an employee or agent of a funeral establishment or a licensee shall exercise due diligence to obtain the consent required pursuant to this section from the proper authorizing agent. It is an affirmative defense to any action or claim brought against a crematory, cemetery or funeral establishment relating to the disposition of a dead human body that the crematory, cemetery or funeral establishment relied in good faith on the direction of a person who claimed to be the authorizing agent in providing for the lawful disposition of a dead human body. The decision of a crematory, cemetery or funeral establishment to cremate or otherwise provide for the lawful disposition of a dead human body in reliance on the direction of a person who claims to be the authorizing agent is presumed to be in good faith unless the crematory, cemetery or funeral establishment has actual knowledge that the claim is false.

H.  If the authorizing agent is not reasonably available or unable to act as the authorizing agent, the person's right to be the authorizing agent shall pass to the next person or category of persons in the order of preference prescribed in section 36-831.

I.  It is presumed that the authorizing agent is not reasonably available to act as authorizing agent if the crematory, cemetery or funeral establishment after exercising due diligence has been unable to contact the individual or if that person has been unwilling or unable to make final arrangements for the disposition of the decedent within fifteen days after the initial contact by the crematory, cemetery or funeral establishment. If a person in a prior category makes an initial contact with the crematory, cemetery or funeral establishment or becomes able before the final disposition of the decedent, that person resumes that person's right to serve as the authorizing agent.

J.  Any dispute among any of the persons listed in section 36‑831, subsection A concerning the right to control the disposition, including cremation, of a decedent's remains shall be resolved by the parties to the dispute or by a court of competent jurisdiction in order to expedite the resolution of a dispute among the parties. A crematory, cemetery or funeral establishment shall IS not be liable for refusing to accept the decedent's remains or TO inter, cremate or otherwise dispose of a decedent's remains until it receives a court order or other suitable confirmation that the dispute has been resolved or settled. A crematory, cemetery or funeral establishment may bring an action in a court of competent jurisdiction in order to expedite the resolution of a dispute among the parties listed in section 36‑831, subsection A.

K.  For the purposes of this section, "reasonably available" means a person who is able to be contacted by the crematory, cemetery or funeral establishment without undue effort and who is willing and able to act within fifteen days after the initial contact by the crematory, cemetery or funeral establishment. END\_STATUTE

Sec.   Section 32-1366, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1366.  Grounds for disciplinary action

A.  After a formal hearing, the board department may deny or refuse to renew a license or registration or may take disciplinary action against any embalmer, intern, funeral director, alkaline hydrolysis operator or other person who is licensed or registered pursuant to article 2 or 2.1 of this chapter for any of the following reasons:

1.  Commission of an act of unprofessional conduct.

2.  Repeated or continuing negligence or any other professional incompetence in the practice of funeral directing, embalming or alkaline hydrolysis.

3.  Violation of any provision of this chapter or any rule adopted pursuant to this chapter.

4.  Violation of any provision of title 44, chapter 10, article 7.

B.  After a formal hearing, the board department may deny or refuse to renew a license or take disciplinary action against a responsible funeral director for a violation of any provision of this chapter or any rule adopted pursuant to this chapter by an employee of the licensed funeral establishment that the responsible funeral director manages. END\_STATUTE

Sec.   Section 32-1367, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1367.  Investigations; initial review; disciplinary proceedings; civil penalty; letters of concern; rehearings; inspections; probationary terms

A.  The board department shall conduct an investigation when it receives a written complaint that appears to show the existence of any grounds for disciplinary action under this chapter or rules adopted pursuant to this chapter.

B.  The board department on its own initiative may investigate any information that appears to show the existence of any grounds for disciplinary action under this chapter or rules adopted pursuant to this chapter.

C.  If it appears after an initial investigation that grounds for disciplinary action may exist, the board department may either request an informal interview with the licensee or registrant or may issue a notice of a formal hearing. If the initial investigation indicates that suspension other than a temporary suspension imposed pursuant to subsection D of this section or revocation of a license, registration or endorsement may be warranted, the board department shall schedule a formal hearing pursuant to title 41, chapter 6, article 10.

D.  After completing an informal interview, the board department may take any or all of the following disciplinary actions:

1.  Issue a letter of censure or reprimand.

2.  Impose probationary terms as the board department deems necessary to protect the public health, safety and welfare and to rehabilitate or educate the licensee or registrant. Probationary terms imposed pursuant to this paragraph may include temporary suspension of a license, registration or endorsement for a period of not more than thirty days, restriction of the licensee's or registrant's right to practice pursuant to this chapter and a requirement that restitution be made to any funeral service consumer or other person who was injured by a violation of this chapter or rules adopted pursuant to this chapter. A licensee's or registrant's failure to comply with any probationary terms imposed pursuant to this paragraph is cause for the board department to consider the entire case against the licensee or registrant and any other alleged violations of this chapter at a formal hearing.

3.  Impose a civil penalty of not more than one thousand dollars $1,000 for each violation.

E.  After completing a formal hearing, the board department may take any or all of the following disciplinary actions:

1.  Issue a letter of censure or reprimand.

2.  Impose probationary terms as the board department deems necessary to protect the public health, safety and welfare and to rehabilitate or educate the licensee or registrant. Probationary terms imposed pursuant to this paragraph may include a requirement that restitution be made to any funeral service customer or other person who was injured by a violation of this chapter or rules adopted pursuant to this chapter.

3.  Impose a civil penalty not to exceed three thousand dollars $3,000 per violation.

4.  Suspend a license, registration or endorsement for not more than ninety days for a first offense and not more than one hundred eighty days for a second offense.

5.  Revoke a license, registration or endorsement.

F.  If, as a result of information ascertained during an investigation, informal interview or formal hearing, the board department determines that an alleged violation of this chapter or rules adopted pursuant to this chapter is not sufficiently serious to warrant disciplinary action, the board department may issue a letter of concern to the licensee or registrant.  The letter of concern shall advise the licensee or registrant of the possible violation.

G.  If a licensee or registrant refuses to participate in an informal interview or a formal hearing, the board department may take any or all of the disciplinary actions listed in subsections D and E of this section.

H.  Before the board department may revoke or suspend a license, registration or endorsement, other than a temporary suspension imposed pursuant to subsection D of this section, the board department shall serve notice and conduct a hearing in the manner prescribed in title 41, chapter 6, article 10.

I.  After service of notice of a decision of the board department suspending or revoking a license, registration or endorsement or imposing a disciplinary action on a licensee or registrant pursuant to subsection D or E of this section, a licensee may apply for a rehearing or review by filing a motion pursuant to title 41, chapter 6, article 10. The filing of a motion for a rehearing or review suspends the operation of the board's department's decision to impose a disciplinary action and allows the licensee or registrant to continue to practice pending a denial or granting of the petition and pending the decision of the board department on rehearing if a rehearing is granted. The board department also may grant a rehearing on its own motion if it finds newly discovered evidence or for any other reason that justifies a reconsideration of a matter.

J.  Except as provided in section 41‑1092.08, subsection H, any party who is aggrieved by a final order or decision of the board department may appeal to the superior court pursuant to title 12, chapter 7, article 6.

K.  All notices that the board department is required to provide to any person under this chapter are fully effective by personal service or by mailing a copy of the notice by certified mail addressed to the person's last known address of record in the board's department's files. Notice by mail is complete at the time of its deposit in the mail.

L.  In addition to the requirements of subsection K of this section, a funeral establishment or crematory shall file a notice with the board department identifying the person on whom the board's department's notices relating to the funeral establishment or crematory shall be served.

M.  In addition to the authority given to the department in this section, The department may impose probationary terms as described in subsection D, paragraph 2 of this section after the department inspects a funeral establishment, crematory or alkaline hydrolysis facility if the department deems the probationary terms necessary to protect the public health, safety and welfare and to rehabilitate or educate the licensee. END\_STATUTE

Sec.   Section 32-1368, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1368.  Administrative costs

On its determination that a licensee or registrant has violated a provision of this chapter or a rule adopted pursuant to this chapter, the board department may assess the licensee or registrant its administrative costs and expenses incurred in conducting the investigation and its administrative costs and expenses incurred in connection with the informal interview or formal hearing.  The board department may assess these administrative costs and expenses in addition to any civil penalties imposed pursuant to section 32‑1367.  The board department shall deposit, pursuant to sections 35‑146 and 35‑147, all monies collected pursuant to this section in the board of ~~funeral~~ directors' and embalmers' ~~directors~~ HEALTH SERVICES LICENSING fund established by section ~~32‑1308~~ 36-414 to defray the board's department's expenses in connection with disciplinary investigations and hearings. Notwithstanding section 35‑143.01, These monies may be spent on investigations and hearings without legislative appropriation. END\_STATUTE

Sec.   Section 32-1369, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1369.  Cease and desist orders; injunctive relief; civil penalty

A.  In addition to all other remedies, if it appears to the board department, either on complaint or otherwise, that any person has engaged in or is engaging in any act, practice or transaction that constitutes a violation of this chapter, of title 44, chapter 10, article 7 or of any rule adopted pursuant to this chapter, the board department may either:

1.  Serve a cease and desist order on the person by certified mail or personal service requiring the person to cease and desist immediately from engaging in the act, practice or transaction.

2.  Apply, through the attorney general or county attorney of the county in which the act, practice or transaction is alleged to have been committed, to the superior court in that county for an injunction restraining the person from engaging in the act, practice or transaction or doing any act in furtherance of the act, practice or transaction. On a proper showing, the court shall grant a temporary restraining order, a preliminary injunction or a permanent injunction without bond. Process in an action under this paragraph may be served on the defendant in any county of this state where the defendant transacts business or is found.

B.  A person who receives a cease and desist order issued by the board department pursuant to subsection A, paragraph 1 of this section is entitled to a hearing pursuant to title 41, chapter 6, article 10 within thirty days after the effective date of the order.

C.  If a person fails to comply with an order issued by the board department pursuant to subsection A, paragraph 1 of this section, the board department shall file an action pursuant to subsection A, paragraph 2 of this section to restrain and enjoin the person from engaging in the act, practice or transaction. The court in the action shall proceed as in other actions for injunction. If the court finds that the person wilfully failed to obey a valid cease and desist order issued by the board department, the court shall impose a civil penalty of at least two hundred fifty $250 and not more than one thousand dollars $1,000 per violation. END\_STATUTE

Sec.   Section 32-1371, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1371.  List of prices of funeral goods and services offered

A.  The board department shall adopt rules that require every licensee or registrant to give a standardized written or printed price list for retention to each person who personally inquires about funeral arrangements or prices of funeral goods or and services.  A funeral establishment shall offer each person the price list on beginning a discussion either of funeral arrangements or of the selection of funeral goods or and services.

B.  A price list shall be presented in an accurate and readable manner in order to facilitate price comparisons by funeral service consumers. END\_STATUTE

Sec.   Section 32-1372, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1372.  Display of merchandise prices; rules

The board department shall adopt rules that require each funeral establishment to place a price card in a conspicuous place with each casket, alternative container, outer burial container, alkaline hydrolysis container or other item of funeral goods available for purchase.  A funeral establishment shall place each price card in a location that enables a person to view the card without physically handling the card. Merchandise photographs must have the price of the merchandise displayed in a conspicuous manner. END\_STATUTE

Sec.   Section 32-1373, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1373.  Statement of funeral goods and services

A.  A licensee or registrant shall not enter into a contract to furnish funeral goods or and services in connection with the burial or other disposition of a dead human body until the licensee or registrant has first delivered to the potential purchaser a written or printed statement of funeral goods and services that contains the following information, if this information is available at the time the contract is executed:

1.  The total charge for the services of the licensee or registrant and the use of the funeral establishment, including preparing the body and other professional services, and the charge for using automotive and other necessary equipment.

2.  An itemization of charges for the casket, alternative container or alkaline hydrolysis container and any outer burial container.

3.  An itemization of fees or charges and the total amount of cash advances made by the licensee or registrant for transportation, flowers, cemetery or crematory charges, newspaper notices, clergy honorarium honoraria, transcripts, telegrams, long‑distance telephone calls, music and any other advances authorized by the purchaser.

4.  The method of payment and any interest charges.

5.  An itemization of any fees or charges not included in paragraphs 1 through 4 of this subsection.

6.  The total amount of charges itemized and included pursuant to this subsection.

7.  The location where the deceased will be held, embalmed or cremated or will undergo alkaline hydrolysis if the location is not the funeral establishment's premises.

8.  A statement containing the name, address and telephone number of any corporation, limited liability company, partnership or limited partnership that holds an ownership interest of ten percent or more in the funeral establishment or crematory.

B.  The statement of funeral goods and services delivered to the potential purchaser shall also contain a conspicuous statement informing the potential purchaser that a casket, outer burial container, alternative container used for cremation or covering used for alkaline hydrolysis may be purchased and used, at the option of the purchaser, in connection with the funeral services and final disposition of human remains, but that, except as provided pursuant to section 36‑136, the purchase or use of caskets, outer burial containers, alternative containers used for cremation or coverings used for alkaline hydrolysis is not required by law.

C.  A licensee or registrant shall not bill or cause to be billed any item that is referred to as a cash advanced item unless the net amount paid for the item or items by the funeral establishment is the same as the amount billed by the funeral establishment.

D.  If the charge for any of the items prescribed in this section is not known at the time the contract is entered into, the licensee or registrant shall advise the purchaser of the charge for the item within a reasonable period after the information becomes available.

E.  A funeral director shall certify a statement of funeral goods and services with the funeral director's license number and signature before conducting final services or within five days after the purchaser signs the statement, whichever is earlier. END\_STATUTE

Sec.   Section 32-1374, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1374.  Price list requirement; exemption

When a licensee or registrant makes arrangements by interstate telecommunications to perform services in this state with any person residing outside this state, the licensee or registrant is not required to provide the written price list required pursuant to section 32‑1371. END\_STATUTE

Sec.   Section 32-1375, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1375.  Price lists; telephone information

A.  A licensee or registrant OR AUTHORIZED EMPLOYEE shall provide accurate information about the retail prices of funeral goods or and services readily available for sale at the funeral establishment at which the licensee or registrant OR AUTHORIZED EMPLOYEE  is employed to any person inquiring about these prices by telephone.

B. A LICENSEE OR AUTHORIZED EMPLOYEE MAY PROVIDE PRICES DESCRIBED IN SUBSECTION A OF THIS SECTION BY TELEPHONE, BY ELECTRONIC MEANS OR BY MAIL.

B.  If a person requests a price list by telephone TO BE SENT BY MAIL, the funeral establishment shall mail a price list to the caller and may charge a reasonable postage and handling fee of not more than two dollars $2. END\_STATUTE

Sec.   Section 32-1376, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1376.  Consumer information pamphlet

A.  The board department shall prepare and distribute to funeral establishments a consumer information pamphlet that provides the following information:

1.  The meaning of terms used in funeral arrangements.

2.  Legal requirements concerning funerals and the disposition of human remains.

3.  A description of illegal practices.

4.  A description of required disclosures to funeral consumers.

5.  A description of the board's department's responsibilities, including where complaints may be filed.

6.  Other relevant information.

B.  A funeral establishment shall provide a copy of the consumer information pamphlet for retention to each person who personally inquires about funeral arrangements or funeral goods or and services. END\_STATUTE

Sec.   Section 32-1377, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1377.  Rules; relation to federal trade commission regulations

Except as authorized by the provisions of this article, rules adopted by the board department to implement this article shall be at least as stringent as federal trade commission regulations relating to funeral industry practices as authorized by the federal trade commission act as amended and in effect on July 19, 1994 (16 Code of Federal Regulations part 453). END\_STATUTE

Sec.   Section 32-1381, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1381.  Funeral establishments; license required

A person shall not advertise or operate for compensation a funeral establishment without first obtaining a funeral establishment license pursuant to this article or an interim permit issued by the board department pursuant to section 32‑1388. END\_STATUTE

Sec.   Section 32-1382, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1382.  Funeral establishment requirements; responsible funeral director

A.  A funeral establishment licensed pursuant to this article shall:

1.  Provide separate rooms for each of the following:

(a)  An area inside the funeral establishment that may be used as a chapel for conducting funeral services.

(b)  A preparation room meeting that meets minimum requirements adopted by the board department, that is maintained at all times in a sanitary and professional manner, with that has sanitary flooring, drainage and ventilation and that is equipped with instruments and supplies necessary for the protection of to protect the health and safety of the public and the employees of the funeral establishment in connection with the preparation preparing and embalming of dead human bodies. Nothing prohibits This PARAGRAPH does not prohibit the embalming of a body at a central location.

(c)  A display area for displaying funeral goods or the display of for displaying funeral goods by photograph or electronic means.

2.  Provide access to hearses or funeral coaches that are properly equipped for the transportation of transporting dead human bodies and that are kept in a sanitary and professional manner.

3.  Employ and designate a responsible funeral director to manage and supervise the daily operation of the funeral establishment.  The responsible funeral director is responsible for the funeral establishment complying with the laws of this state and the rules of the board department. The funeral establishment or the responsible funeral director shall designate a licensed funeral director to act as an interim responsible funeral director.

B.  All employees of a funeral establishment who handle dead human bodies shall use universal precautions and shall exercise reasonable care to minimize the risk of transmitting any communicable disease from a dead human body. END\_STATUTE

Sec.   Section 32-1383, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1383.  Application; qualifications for funeral establishment licensure

A.  An applicant for a funeral establishment license shall submit a completed application on a form prescribed by the board department.  The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309 and any additional information that the board department deems necessary.  A business entity that applies for a license pursuant to this article shall submit to the board department with its application for licensure a copy of its partnership agreement, its articles of incorporation or any other organizational documents required to be filed with the corporation commission.

B.  A person who applies for a license pursuant to this article, or if the applicant is a business entity, the proprietors, partners, officers and directors of the entity, shall:

1.  Be of good moral character.

2.  submit a completed fingerprint card, criminal history background information and a fingerprint background check fee to the board department.

C.  The board or the board's designee department shall inspect the premises of a funeral establishment and investigate the character and other qualifications of all applicants for licensure.

D.  If the board department finds that the applicant meets the criteria for licensure under this article and rules adopted by the board department, the board department shall issue an a funeral establishment license. END\_STATUTE

Sec.   Section 32-1388, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1388.  Nontransferability of funeral establishment licenses; change of ownership; interim permits; definition

A.  A funeral establishment license issued by the board department is not transferable or subject to sale or assignment, whether by a voluntary or involuntary process.

B.  When If there is a change of ownership of a funeral establishment, the licensee shall notify the board department in writing and shall surrender the license to the board department within twenty days after the change of ownership.  The new owner shall also notify the board department in writing within twenty days after the change of ownership and shall submit an application for a funeral establishment license to the board department pursuant to section 32‑1383.

C.  The board department shall issue an interim permit to a new owner of a licensed funeral establishment to allow the new owner to continue the operation of the funeral establishment during the period that the new owner's license application is pending if the following conditions are met:

1.  The new owner notifies the board department of the change of ownership and submits an application for an interim permit and the applicable fee pursuant to section 32‑1309 at least within three days, excluding Saturdays, Sundays and holidays, after the change takes place.  Notice shall be given during regular business hours.

2.  The funeral establishment continues to meet the requirements of section 32‑1382.

D.  An interim permit issued by the board department pursuant to this section shall be for not more than forty‑five days and shall not be extended except as provided in subsection E of this section.  An interim permit is a conditional permit and authorizes the holder to operate a funeral establishment as would be permitted allowed under a funeral establishment license issued pursuant to this article.  The holder of an interim permit is subject to the licensing rules and disciplinary proceedings prescribed in this chapter and in rules adopted pursuant to this chapter.

E.  Notwithstanding subsection D of this section, for good cause shown, the board department may extend an interim permit for not more than forty‑five days.

F.  Until an interim permit is issued, the board department shall keep confidential all notices filed with the board department by the prospective new owner of a licensed funeral establishment pursuant to this section.

G.  For the purposes of this section, "regular business hours" means between the hours of 8:00 a.m. and 5:00 p.m. on any day of the week other than Saturday, Sunday or any other legal holiday or a day on which the board department is authorized or obligated by law or executive order to close. END\_STATUTE

Sec.   Section 32-1389, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1389.  Application for change of name

The owner of a licensed funeral establishment shall submit an application on a form prescribed by the board department to change the name of the funeral establishment.  The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309. END\_STATUTE

Sec.   Section 32-1390, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1390.  Application for change of location

The owner of a licensed funeral establishment shall submit an application on a form prescribed by the board department to change the location of the funeral establishment.  The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309.  Before the board department approves a request for a change of location pursuant to this section, the owner shall demonstrate that the new location meets the requirements of section 32‑1382. END\_STATUTE

Sec.   Section 32-1390.01, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1390.01.  Prohibited acts; disciplinary actions; agents and employees; civil penalty

A.  The board department may deny or refuse to renew the license of a funeral establishment or may take disciplinary action against a funeral establishment for any of the following reasons:

1.  Committing fraud or misrepresentation in obtaining a license.

2.  Failure Failing to employ and designate a responsible funeral director.

3.  The display Displaying or use of using a funeral establishment license at any place other than the funeral establishment to which it is issued.

4.  A violation of any provision of Violating title 44, chapter 10, article 7.

5.  A violation of any provision of Violating this chapter or a rule adopted pursuant to this chapter.

6.  The commission of an act by an agent or an employee of a  the funeral establishment that violates any provision of this chapter or rules adopted pursuant to this chapter.

B.  The acts or omissions of an agent or employee of a funeral establishment that violate any provision of this chapter or rules adopted pursuant to this chapter are considered to be the acts or omissions of the funeral establishment.

C.  If the board department finds that a funeral establishment has committed an offense listed in subsection A of this section, it the department may take any of the following actions:

1.  Issue a letter of censure or reprimand.

2.  Impose probationary terms as the board department considers necessary to protect the public health, safety and welfare and to rehabilitate or educate the licensee, including restitution to any customer or other person who was injured by a violation of this chapter or a rule adopted pursuant to this chapter.

3.  Impose a civil penalty not to exceed three thousand dollars $3,000 per violation.

4.  Revoke the license of the funeral establishment pursuant to a disciplinary proceeding.

5.  Suspend the license of the funeral establishment for not more than ninety days for a first offense or not more than one hundred eighty days for a second offense. END\_STATUTE

Sec.   Section 32-1390.02, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1390.02.  Disciplinary proceedings; notice

A.  Article 3 of this chapter and rules adopted pursuant to article 3 of this chapter govern disciplinary proceedings brought against a funeral establishment.

B.  Any notice required to be served by the board department pursuant to section 32‑1367, subsection K on a person who is licensed pursuant to article 2 of this chapter shall also be served by the board department on each funeral establishment that employed or hired the person at the time of the conduct causing the board department to serve the notice on the person. Each funeral establishment shall identify the person to whom the board department shall send the notice to be served on the funeral establishment as required by this subsection. END\_STATUTE

Sec.   Section 32-1391.01, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.01.  Powers and duties of department

A.  The board department shall adopt rules that:

1.  Describe or define deceptive, misleading or professionally negligent practices concerning the offer or sale of prearranged funeral agreements funded by trust and the handling of these funds or accounts.

2.  Implement and interpret consumer disclosure requirements of this article to provide adequate information to purchasers of prearranged funerals.

3.  Prescribe funeral establishment recordkeeping requirements concerning prearranged funeral trust sales and prearranged funeral trust accounts and the handling and disposition of trust funds.

4.  Define terms and develop forms and procedures to implement this article.

B.  The board department of health services shall enter into an intergovernmental agreement with the department of insurance and financial institutions to examine and report on prearranged funeral trust accounts of funeral establishments and to review prearranged funeral trust sales and trust account forms and procedures used by funeral establishments. END\_STATUTE

Sec.   Section 32-1391.02, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.02.  Prearranged funeral agreements; restrictions on sales

A.  A person shall not enter into a prearranged funeral agreement other than in accordance with the provisions of this article and the rules adopted pursuant to this article.

B.  The board department shall adopt rules that require every funeral establishment that sells prearranged funeral agreements to give a standardized written or printed price list for retention to each person who personally inquires about prearranged funeral agreements.  On beginning a discussion regarding prearranged funeral agreements, a registered prearranged funeral salesperson or a licensed insurance producer who a funeral establishment employs or contracts with to sell prearranged funeral agreements funded by insurance person affiliated with the funeral establishment shall present the price list to the consumer. The list shall be presented in an accurate and readable manner in order to facilitate price comparisons by consumers.

C.  A prearranged funeral agreement shall be funded by insurance or trust. A funeral establishment or an agent or employee of a funeral establishment shall not accept payment for or agree to enter into any prearranged funeral agreement unless the name of a licensed funeral establishment appears on the statement of goods and services used in connection with the prearranged funeral agreement and one of the following is true:

1.  If the prearranged funeral agreement is a prearranged funeral agreement funded by insurance, the funeral establishment employs or contracts with insurance producers who are licensed pursuant to title 20 to sell the prearranged funeral agreement.

2.  If the prearranged funeral agreement is a prearranged funeral agreement funded by trust, the funeral establishment has been issued a prearranged funeral sales endorsement to its license and the salesperson has been issued a prearranged funeral salesperson registration by the board allowing the funeral establishment and the person to sell prearranged funeral agreements funded by trust.

3.  If the prearranged funeral agreement is a payable on death account, the account is not under the control of the funeral establishment. A funeral establishment or an agent or employee of a funeral establishment shall not accept a deposit for a payable on death account.END\_STATUTE

Sec.   Section 32-1391.03, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.03.  Department of insurance and financial institutions; powers and duties; prearranged funeral trust accounts

A.  The department of insurance and financial institutions shall determine all of the following in its examinations of prearranged funeral trust accounts:

1.  The names and addresses of purchasers of prearranged funerals and the amount each purchaser paid to the funeral establishment.

2.  The location and status of all monies received.

3.  The total amount in trust accounts.

4.  Whether a funeral establishment is complying with this article and rules adopted pursuant to this article.

5.  Whether a funeral establishment is following recognized accounting procedures for prearranged funeral trust accounts and handling monies received from prearranged funeral sales.

B.  The department of insurance and financial institutions shall:

1.  Conduct examinations on a random basis or in connection with an investigation pursuant to procedures established by the board department of health services.

2.  Examine the prearranged funeral trust accounts of each funeral establishment at least once within the first twelve months after it begins to sell prearranged funerals and at least once every three years thereafter.

3.  Include prearranged funeral trust accounts established before January 1, 1985 in its examinations.

C.  The department of insurance and financial institutions may examine and investigate prearranged funeral trust accounts pursuant to title 6, chapter 1, article 3 and pursuant to the powers of the board department of health services concerning prearranged funeral sales and trust accounts.

D.  If the department of insurance and financial institutions determines after investigation investigating or examination of examining a prearranged funeral trust account that a violation of any provision of this article has occurred, it shall send a written report to the board department of health services within thirty days of after completion of the investigation or examination that includes an identification of the violation and any relevant documents.

E.  The department of insurance and financial institutions shall assess each funeral establishment at the rate of not more than $520 per day for each examiner employed in the examination of the funeral establishment's prearranged funeral trust accounts pursuant to the requirements of this section. END\_STATUTE

Sec.   Section 32-1391.04, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.04.  Prearranged funeral trust accounts; books and records; inspection and examination

A.  All funeral establishments and financial institutions shall, on request of the department of insurance and financial institutions, shall make their prearranged funeral trust account books and records available for inspection and examination by the department of insurance and financial institutions.

B.  All Each financial institutions institution with trust funds deposited pursuant to this article shall at least quarterly send a copy to the department of insurance and financial institutions of each cancellation request or death certificate it the financial institution has received that resulted in a withdrawal of funds from the trust account.

C.  A financial institution shall have no does not have a legal duty to inquire about the disbursement of any trust funds deposited pursuant to this article if the financial institution has received the properly executed notifications or certifications required by this article.

D.  A financial institution or funeral establishment operating according to the trust provisions established in this article shall is not be considered to be in the trust business under title 6, chapter 8. END\_STATUTE

Sec.   Section 32-1391.09, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.09.  Prearranged funeral agreements funded by trust; consumer disclosures

A.  Each prearranged funeral agreement funded by trust shall contain the following conspicuous notice that shall be initialed by the purchaser:

Notice to Purchaser

This prearranged funeral agreement is for the future funeral arrangements of     (name of beneficiary)     .  The payments you make under this prearranged funeral agreement will be deposited in trust account number \_\_\_\_\_\_\_\_\_\_\_\_ at the  (office or branch)   of the  (name of financial institution) . Written notice will be mailed to you if this prearranged funeral trust account is transferred to another financial institution.  That notice will include the name and location of the financial institution and the new prearranged funeral trust account number.  The total monies intended to be deposited in this prearranged funeral trust account over the term of the agreement is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.  An initial service fee of $\_\_\_\_\_\_\_\_ has been charged which will be paid to this funeral establishment.  If this prearranged funeral agreement is canceled, any portion of the initial service fee which that has not been paid under the prearranged funeral agreement is no longer due and payable to the funeral establishment.  An annual service fee of \_\_\_\_\_\_\_\_% of the annual accrued interest on the funds in the prearranged funeral trust account will also be charged for administrative and accounting expenses. If you wish to cancel this agreement, you must give the funeral establishment a written request to cancel before the trust funds will be refunded.  If you cancel this prearranged funeral agreement within three business days after signing this prearranged funeral agreement, all monies paid, including all service fees, will be refunded to you.  If remaining trust funds exist after performance of this prearranged funeral agreement, those funds will be refunded to the estate of the beneficiary.  The prices of the funeral goods and services you have requested will be the prices in effect at the time of the future funeral arrangements.

Purchaser initials:\_\_\_\_\_\_\_\_

B.  A prearranged funeral agreement shall specifically itemize the funeral goods and services to be provided under the prearranged funeral agreement and any funeral, burial, cemetery or crematory expenses that are not covered under the prearranged funeral agreement.

C.  Each fixed price prearranged funeral agreement funded by trust shall contain the following additional conspicuous notice that shall be initialed by the purchaser:

Fixed Price Contract Notice

This funeral establishment has agreed to charge you the prices listed in this prearranged funeral agreement for the funeral goods and services you have selected for the future funeral arrangements of  (name of beneficiary)    .  However, you should note that this prearranged funeral agreement may be in effect for many years and that future events may affect our ability to honor this prearranged funeral agreement at the time of the funeral arrangements.  If a funeral item is no longer manufactured or available at the time of the funeral arrangements, a substantially equivalent item acceptable to the person designated on this prearranged funeral agreement will be substituted.  This prearranged funeral agreement should not be considered as insurance.  You have agreed that the funeral establishment shall receive \_\_\_\_\_\_\_\_% of all interest accruing on the trust fund if it performs the future funeral arrangements as required by this prearranged funeral agreement.  If the funeral establishment does not honor this prearranged funeral agreement, you may have legal remedies available to enforce this contract at the price you agreed to pay.

Purchaser initials:\_\_\_\_\_\_\_\_

D.  A fixed price prearranged funeral agreement funded by trust shall specifically itemize the funeral goods and services to be provided under the prearranged funeral agreement, the current prices to be charged for the funeral goods and services at the time of the future funeral arrangements and any burial, cemetery or crematory expenses that are not covered under the prearranged funeral agreement.  If certain funeral goods to be provided under the prearranged funeral agreement are not manufactured or supplied at the time of the funeral arrangements, the funeral establishment shall provide substantially equivalent funeral goods that are acceptable to the person designated on the prearranged funeral agreement or the person legally responsible for final disposition of the beneficiary's remains.  If any of these persons are unavailable, the substitution of funeral goods shall be determined by rules established by the board department.  A funeral establishment shall not represent or imply that the agreed to prices are guaranteed, frozen or otherwise an absolute economic certainty in the future.  If a funeral establishment specifies the prices to be charged pursuant to this subsection, it shall delete the last sentence of the notice required by subsection A from the prearranged funeral agreement.

E.  A prearranged funeral agreement funded by trust shall contain all terms of the prearranged funeral trust account agreement with the financial institution.

F.  Each funeral establishment shall provide a copy of:

1.  The prearranged funeral agreement for retention to each person who enters into a prearranged funeral agreement.

2.  Its The funeral establishment's current price list for retention to each person who inquires about or is solicited regarding a prearranged funeral agreement. END\_STATUTE

Sec.   Section 32-1391.12, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.12.  Prearranged funeral sales endorsement; requirements; renewal

A.  A funeral establishment that desires to offer or sell prearranged funeral agreements funded by trust shall apply to the board department for an endorsement to its establishment license.  The board department shall issue the endorsement if the funeral establishment satisfies the following requirements:

1.  Pays the prescribed application fee pursuant to section 32‑1309.

2.  Provides the name and address of each person owning ten per cent percent or more of the common shares or other ownership or beneficial interest in the funeral establishment.

3.  Provides the name and address, any prior names or aliases, all prior addresses for the immediately preceding seven year seven‑year period, and the date and location of birth of any responsible funeral director, manager, officer, owner, trustee or other person controlling the funeral establishment and who has been convicted of any of the crimes or has been the subject of any of the court actions described in section 10‑202, subsection D, paragraph 1, subdivisions (a), (b) and (c).

4.  Delivers a corporate surety bond in favor of this state, executed by a surety company authorized to do business in this state, in the amount that is prescribed by the board department and that is recoverable by this state for the benefit of any person injured by a violation of this article.  The board department shall establish, in its rules, a separate bond requirement amount for each of the following:

(a)  Funeral establishments that sold fewer than one hundred prearranged funeral agreements funded by trust during the immediately preceding calendar year.

(b)  Funeral establishments that sold one hundred or more but fewer than two hundred fifty prearranged funeral agreements funded by trust during the immediately preceding calendar year.

(c)  Funeral establishments that sold two hundred fifty or more prearranged funeral agreements funded by trust during the immediately preceding calendar year.

Bond amount requirements established by the board department shall not be less than fifteen thousand dollars at least $15,000 or but not more than fifty thousand dollars $50,000 for each funeral establishment, except that as each salesperson is registered by the board, the funeral establishment shall increase its bond by an additional five thousand dollars during the employment of that salesperson.

5.  Provides the full name and address of the funeral director designated by the funeral establishment to offer or sell prearranged funerals and all of the following:

(a)  A recent photograph of the designated funeral director.

(b)  Any prior names or aliases used by the designated funeral director.

(c)  All prior addresses of the designated funeral director for the immediately preceding seven year seven‑year period.

(d)  The date and location of the designated funeral director's birth.

(e)  A declaration from the designated funeral director that the funeral director has not been convicted of any felony or convicted of any other crime involving dishonesty, fraud, deception, misrepresentation, embezzlement or breach of fiduciary duty in any state or federal court within the seven year seven‑year period immediately preceding the date of application.

(f)  A declaration from the designated funeral director that the funeral director has not been the subject of a consumer fraud, securities fraud or civil racketeering judgment or consent order in any state or federal court within the seven year seven‑year period immediately preceding the date of application.

6.  Provides information about existing prearranged funeral agreements funded by trust of the funeral establishment required by the board department.

B.  A prearranged funeral sales endorsement shall be renewed annually by the funeral establishment by payment of the prescribed renewal fee pursuant to section 32‑1309 and by compliance with the requirements described in subsection A, paragraphs 2, 3 and 4 of this section on or before July 31.

C.  Failure to pay the renewal fee by July 31 voids the endorsement. An endorsement voided under this subsection may be reinstated on compliance with subsection B of this section and payment of the prescribed reinstatement fee. END\_STATUTE

Sec.   Section 32-1391.13, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.13.  Grounds for denial or refusal to renew funeral establishment sales endorsement or disciplinary action

The board department may deny or refuse to renew a prearranged funeral sales endorsement or may take disciplinary action against a funeral establishment if any of the following occurs:

1.  The funeral establishment fails to satisfy the requirements of section 32‑1391.12.

2.  The funeral establishment fails to comply with the annual report requirement prescribed in section 32‑1391.16.

3.  The funeral establishment,  or its designated funeral director or any prearranged funeral salesperson it employs or engages violates this article or any rule adopted pursuant to this article.

4.  The funeral establishment makes false or misleading statements on its initial or renewal application or on the required annual report.

5.  The designated funeral director is convicted of any crime or is the subject of any court decision described in section 32‑1391.12, subsection A, paragraph 5, subdivision (e) or (f).

6.  The funeral establishment,  or its designated funeral director or any registered salesperson it employs or engages violates any provision of title 44, chapter 10, article 7. END\_STATUTE

Sec.   Repeal

Sections 32-1391.14 and 32-1391.15, Arizona Revised Statutes, are repealed.

Sec.   Section 32-1391.16, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1391.16.  Prearranged funeral sales and trust account activities; funeral establishments; annual report

A.  On or before May 1, each funeral establishment holding a prearranged funeral sales endorsement shall file an annual report with the board department concerning its prearranged funeral sales and trust account activities during the preceding calendar year.

B.  The funeral establishment shall pay the annual report fee prescribed in section 32‑1309 when the annual report is filed.

C.  The annual report shall contain the following information sworn to by the owner or owners of the funeral establishment:

1.  The names and addresses of persons who were sold prearranged funerals funded by trust by the funeral establishment during the preceding calendar year,  and the names of the persons who are to be the beneficiaries of the prearranged funerals and the name of the registered salesperson selling each prearranged funeral.

2.  The total contract amount for each purchaser listed in paragraph 1 of this subsection, the total amount of monies previously paid on each contract and the amount of monies paid by and refunded to the purchaser on each contract during the preceding calendar year.

3.  The total trust funds contained in the funeral establishment's prearranged funeral trust accounts as of the end of the preceding calendar year and the total funds received in the trust accounts during that year.

4.  The total amount of monies, if any, received from purchasers but not deposited in the trust accounts as of the end of the preceding calendar year, excluding initial service fees received by the funeral establishment.

5.  The names, registration numbers and addresses of all salespersons employed or otherwise engaged by the funeral establishment during the preceding calendar year and the names and registration numbers of all salespersons terminated during that year.

6.  The names and addresses of the financial institutions where the trust funds are on deposit and the account number of each account.

7.  A statement of the owner of the funeral establishment that the funeral establishment has complied with this article and rules adopted pursuant to this article.

8.  Other information required by the board department.

D.  Each funeral establishment that does not offer or sell prearranged funerals funded by trust or hold a prearranged funeral sales endorsement shall file with the board department the annual report described in subsection C of this section concerning all prearranged funeral trust accounts established before January 1, 1985 and in existence during the preceding calendar year on or before May 1.  For the purposes of this subsection, "prearranged funeral trust account" includes all prearranged funeral trust accounts or funds established pursuant to laws in existence before January 1, 1985.

E.  The board department of health services shall provide the department of insurance and financial institutions with a copy of each annual report filed pursuant to this section. END\_STATUTE

Sec.   Section 32-1393, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1393.  Crematories; license required; employee training

A.  A person shall not advertise or operate a crematory, unless the person has received a certificate of authority from the state real estate department, without first obtaining a crematory license issued by the board department of health services.

B.  A licensed crematory and its employees shall follow all applicable provisions of this article and rules adopted pursuant to this article.  A licensed crematory shall provide appropriate training for its employees and is strictly accountable for compliance by both its licensed and unlicensed employees with the provisions of this article and all applicable federal, state and local rules and regulations regarding occupational and workplace health and safety. END\_STATUTE

Sec.   Section 32-1394, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1394.  Crematory requirements; responsible cremationist

A crematory licensed pursuant to this article shall:

1.  Maintain a retort that is operated at all times in a sanitary and professional manner, that conforms to local building and environmental codes and that provides protection for the health and safety of persons in attendance at a cremation and employees of the crematory.

2.  Maintain a holding facility that is secure from access by anyone other than employees of the crematory and public officials in the performance of their official duties, that complies with applicable public health laws, that protects the health and safety of employees of the crematory and that preserves the dignity of human remains in the facility.

3.  Possess all equipment and supplies that are necessary to conduct cremations in a manner that provides protection for the health and safety of persons in attendance at a cremation and employees of the crematory.

4.  Employ and designate a responsible cremationist who is licensed pursuant to this article and who is trained in crematory operations to manage the daily operation of the crematory. The responsible cremationist is responsible for the crematory complying with the laws of this state and the rules of the board department of health services or the rules of the department of state real estate department, as applicable. The crematory or the responsible cremationist shall designate a licensed cremationist to act as an interim responsible cremationist. END\_STATUTE

Sec.   Section 32-1394.01, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1394.01.  Application; qualifications for cremationist licensure; licensure requirement for responsible cremationists

A.  An applicant for a cremationist license shall submit a completed application on a form prescribed by the board department. The application shall be subscribed under oath and shall be accompanied by the applicable fee pursuant to section 32‑1309 and any additional information that the board department deems necessary.

B.  An applicant for a cremationist license shall be of good moral character and shall submit a completed fingerprint card and the prescribed fingerprint records check fee to the board department of health services to enable the board department of health services or the department of public safety to conduct a criminal records check.

C.  An applicant for a cremationist license shall meet the educational requirements as prescribed by the board department in rule.

D.  If the board department finds that the applicant meets the criteria for cremationist licensure under this section and under rules adopted by the board department, the board department shall issue a cremationist license.

E.  Notwithstanding any other law, A responsible cremationist is required to shall be licensed pursuant to this article.  Any other cremationist may be licensed pursuant to this article but, if not licensed, may engage only in cremation activity that is allowed without a license.END\_STATUTE

Sec.   Section 32-1395, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1395.  Application; qualifications for licensure

A.  An applicant for a crematory license shall submit a completed application on a form prescribed by the board department.  If the applicant is a business entity, the entity shall direct a natural person who is an owner of the entity to submit its application.  The application shall be subscribed under oath, shall contain the name of the responsible cremationist and shall be accompanied by the applicable fee pursuant to section 32‑1309 and any additional information that the board department deems necessary.  A business entity that applies for a license pursuant to this article shall submit to the board department with its application for licensure a copy of its partnership agreement, its articles of incorporation or organization or any other organizational documents required to be filed with the corporation commission.

B.  A person who applies for a license pursuant to this article, or if the applicant is a business entity, the all owners, partners, officers, directors and trust beneficiaries of the entity, shall:

1.  Be of good moral character.

2.  submit a completed fingerprint card, criminal history background information and a fingerprint background check fee to the board department.

C.  The board or the board's designee department shall inspect the premises of a crematory and investigate the character and other qualifications of all applicants for licensure pursuant to this article to determine whether the crematory and the applicants are in compliance with the requirements of this article and rules adopted by the board department.

D.  If the board department finds that the applicant meets the criteria for licensure under this article and rules adopted by the board department, the board department shall issue a crematory license. END\_STATUTE

Sec.   Section 32-1397, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1397.  Nontransferability of crematory licenses; change of ownership; interim permit; definition

A.  A crematory license issued by the board department is not transferable or subject to sale or assignment, whether by a voluntary or involuntary process.

B.  When If a change of ownership of a crematory occurs, the licensee shall notify the board department in writing and shall surrender the license to the board department within twenty days after the change of ownership.  The new owner shall also notify the board department in writing within twenty days after the change of ownership and shall submit an application for a crematory license to the board department pursuant to section 32‑1395.

C.  The board department shall issue an interim permit to a new owner of a licensed crematory to allow the new owner to continue the operation of the crematory during the period that the new owner's license application is pending if the following conditions are met:

1.  The new owner notifies the board department of the change of ownership and submits an application for an interim permit and the applicable fee pursuant to section 32‑1309 at least within three days, excluding Saturdays, Sundays and holidays, after the change takes place. Notice shall be given during regular business hours.

2.  The crematory continues to meet the requirements of section 32‑1394.

D.  An interim permit issued by the board department pursuant to this section shall be for not more than forty‑five days and shall not be extended except as provided in subsection E of this section.  An interim permit is a conditional permit and authorizes the holder to operate a crematory as would be permitted allowed under a crematory license issued pursuant to this article.  The holder of an interim permit is subject to the licensing rules and disciplinary proceedings prescribed in this chapter and in rules adopted pursuant to this chapter.

E.  Notwithstanding subsection D of this section, for good cause shown, the board department may extend an interim permit for not more than forty‑five days.

F.  Until an interim permit is issued, the board department shall keep confidential all notices filed with the board department by the prospective new owner of a licensed crematory pursuant to this section.

G.  For the purposes of this section, "regular business hours" means between the hours of 8:00 a.m. and 5:00 p.m. on any day of the week other than Saturday, Sunday or any other legal holiday or a day on which the board department is authorized or obligated by law or executive order to close. END\_STATUTE

Sec.   Section 32-1397.01, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1397.01.  Crematories; change of name

The owner of a licensed crematory who desires to change the name of the crematory shall submit an application on a form prescribed by the board department.  The application shall be subscribed under oath and shall be accompanied by the applicable fee. END\_STATUTE

Sec.   Section 32-1397.02, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1397.02.  Crematories; change of location

The owner of a licensed crematory shall submit an application on a form prescribed by the board department to change the location of the crematory.  The application shall be subscribed under oath and shall be accompanied by the applicable fee.  Before the board department approves a request for a change of location pursuant to this section, the owner shall demonstrate that the new location meets the requirements of section 32‑1394. END\_STATUTE

Sec.   Section 32-1398, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1398.  Crematories; prohibited acts; disciplinary actions

A.  The board department may take disciplinary action against a crematory or an agent or employee of a crematory for any of the following acts:

1.  Unless otherwise permitted allowed by law, selling or offering to sell a cremation that is not arranged by a funeral establishment licensed pursuant to article 4 of this chapter.  This paragraph does not prohibit charging a cremation fee.

2.  Unless otherwise permitted by law, selling or offering to sell any funeral goods or and services other than cremation.

3.  Cremating or causing the cremation of a dead human body before obtaining certification from the county medical examiner or person performing the duties of the county medical examiner pursuant to section 11‑599 and, if the deceased person did not execute a document authorizing the deceased person's cremation pursuant to section 32‑1365.01, before obtaining express written consent to cremate the body from the authorizing agent pursuant to section 32‑1365.02.

4.  Using a retort for any purpose other than the cremation of human remains.

5.  Cremating more than one dead human body at the same time in the same retort without the express written consent of the authorizing agents.

6.  Introducing a second dead human body into a retort before reasonable efforts have been made to remove all fragments of the cremated remains from the preceding cremation without the express written consent of the authorizing agents.  Incidental and unavoidable residue remaining in a retort after a cremation does not constitute a violation of this paragraph.

7.  Introducing the cremated human remains of a second dead human body into a processor before the termination of the processing of the cremated human remains that were previously in the processor and before reasonable efforts have been made to remove all fragments of cremated remains from the preceding processing without the express written consent of the authorizing agents.  Incidental and unavoidable residue remaining in a processor after a processing does not constitute a violation of this paragraph.

8.  Retaining any accumulated human residue from any retort, processor, container or other equipment used in cremation.  A crematory shall dispose of all accumulated human residue in a cemetery in accordance with the rules of the cemetery and any applicable local ordinances.

9.  Selling or offering for sale anything of value obtained as a result of the cremation process.

10.  Violating any provision of this chapter or a rule adopted pursuant to this chapter.

B.  The acts or omissions of an agent or employee of a crematory that violate this chapter or rules adopted pursuant to this chapter shall be are deemed to be acts or omissions of the crematory.END\_STATUTE

Sec.   Section 32-1399, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-1399.  Crematories; rules; standards of practice

The board department shall adopt rules that establish standards equivalent to section 32‑1307, subsection A, paragraph 5  4 for regulating crematories and cremation and that include the following:

1.  A crematory shall develop, implement and maintain a written procedure for the identification of identifying human remains that ensures that remains can be identified from the time that a crematory accepts the delivery of the remains until the cremated remains are released to the authorizing agent.  The identification procedures shall require the crematory to comply with the requirements of this section.  The crematory shall not open a container containing human remains, except under the personal supervision of a licensed funeral director or embalmer or a responsible cremationist licensed pursuant to this article and trained in crematory operations to manage the daily operation of the crematory. After taking custody of human remains, a crematory shall immediately verify the identification attached to the casket or cremation container and assign an identification number.  The crematory shall not accept unidentified caskets or cremation containers.  The identification shall include the name and address of the deceased, the name and relationship of the authorizing agent, the name of the person or entity engaging the crematory services, a valid cremation permit issued by a government agency and a metal cremation disk containing the identification number. The disk shall be placed with the deceased during cremation.

2.  If a crematory is unable to cremate the human remains immediately after taking custody, the crematory shall store the remains in a holding facility that is secure from access by anyone other than employees of the crematory and public officials in the performance of their duty and that complies with applicable public health laws, preserves the dignity of the human remains and protects the health of employees of the crematory.

3.  A crematory shall not accept a casket or cremation container from which there is evidence of leakage of body fluids from the human remains and shall not hold human remains for cremation unless they are contained in an individual, closed casket or rigid cremation container of combustible material that preserves the dignity of the human remains and that protects the health of employees of the crematory.  Human remains that are not embalmed shall be held by the crematory in a refrigerated holding facility that maintains human remains at or below thirty‑eight degrees fahrenheit or in compliance with applicable public health laws.

4.  All body prostheses, bridgework or similar items removed from the cremated remains shall be disposed of by the crematory unless an alternative disposition is agreed to in the authorization to cremate.

5.  After cremation, the crematory as far as practicable shall remove visible parts of the residual of the cremation process from the retort, shall not combine the cremated or processed remains with other cremated or processed remains and shall attach the identification of the cremated or processed remains to the temporary container or urn into which the remains are placed.

6.  The crematory shall place cremated or processed remains in a temporary container or urn.  Extra space may be filled with clean packing material that will not combine with the cremated or processed remains. The lid or top shall be securely closed.  Any cremated or processed remains that do not fit in the temporary container or urn shall be returned in a separate container or, with permission of the authorizing agent, disposed of by the crematory.

7.  A crematory may dispose of cremated or processed remains in any legal manner directed by a document prepared pursuant to section 32‑1365.01 or agreed to by the authorizing agent.  If the authorizing agent agrees to take possession and does not take possession of the remains within thirty days after cremation or on an agreed date, the crematory shall send written notice to the last known address of the authorizing agent to take possession.  Ninety days after the notification is sent or delivered, the crematory may dispose of the cremated or processed remains in any legal manner.

8.  Unless the deceased has prepared a document pursuant to section 32‑1365.01, the crematory shall obtain an authorization to cremate from the authorizing agent that shall contain a provision holding the crematory harmless for the disposition of unclaimed cremated or processed remains.

9.  All employees of the crematory who handle dead human bodies shall use universal precautions and shall otherwise exercise reasonable care to minimize the risk of transmitting any communicable disease from a dead human body.

10.  Unless the deceased has prepared a document pursuant to section 32‑1365.01, employees of the crematory shall not remove a dead human body from the container in which it is delivered to the crematory without the express written consent of the authorizing agent.  If, after accepting a dead human body for cremation, employees of a crematory discover that a mechanical or radioactive device is implanted in the body, an embalmer licensed pursuant to article 2 of this chapter shall remove the device from the body before cremation takes place.

11.  A crematory shall keep an accurate record of all cremations performed, including dispositions of cremated and processed remains, for not fewer than five years after the cremation. END\_STATUTE

Sec.   Section 32-2194.03, Arizona Revised Statutes, is amended to read:

START\_STATUTE32-2194.03.  Issuance or denial of certificate of authority; voidable sale; order prohibiting sale; investigations by commissioner; public hearings; summary orders

A.  After examination of a cemetery application, the commissioner, unless there are grounds for denial, shall issue a certificate of authority authorizing the sale in this state of cemetery plots within the cemetery.  The commissioner shall notify the state board of funeral directors and embalmers department of health services when the commissioner issues a certificate of authority pursuant to this section.

B.  The commissioner may deny issuance of a certificate of authority on any of the following grounds:

1.  Failure The applicant fails to comply with any of the provisions of this article or the rules of the commissioner pertaining to this article.

2.  The sale of plots within the cemetery would constitute misrepresentation to or deceit or fraud of the purchasers.

3.  The applicant has procured or attempted to procure a certificate of authority under the provisions of this chapter for itself or another by fraud, misrepresentation or deceit or by filing an original or renewal application which is false or misleading.

4.  Inability The applicant is unable to deliver title or other interest contracted for.

5.  Inability The applicant is unable to demonstrate that adequate financial or other arrangements acceptable to the commissioner have been made for installation of all off‑site and other cemetery facilities.

6.  Failure The applicant fails to make a showing show that the plots can be used for the purpose for which they are offered.

7.  Failure The applicant fails to provide in the contract or other writing the use or uses for which the plots are offered, together with any covenants or conditions relative to such plots.

8.  Failure The applicant fails to include in the contract the disclosure provisions required as provided by section 32‑2194.04.

9.  The owner, The agent, an officer, a director or partner, A trust beneficiary holding ten per cent percent or more beneficial interest or, if a corporation, any stockholder owning ten per cent percent or more of the stock in such corporation has:

(a)  Been convicted of a felony or misdemeanor involving fraud or dishonesty or involving conduct of any business or a transaction in real estate, cemetery property, time‑share timeshare intervals or membership camping campgrounds or contracts.

(b)  Been permanently or temporarily enjoined by order, judgment or decree from engaging in or continuing any conduct or practice in connection with the sale or purchase of real estate or cemetery property, time‑share timeshare intervals, membership camping contracts or campgrounds, or securities or involving consumer fraud or the racketeering laws of this state.

(c)  Had an administrative order entered against the applicant by a real estate regulatory agency or security regulatory agency.

(d)  Had an adverse decision or judgment entered against the applicant involving fraud or dishonesty or involving the conduct of any business in or a transaction in real estate, cemetery property, time‑share timeshare intervals or membership camping campgrounds or contracts.

(e)  Disregarded or violated any of the provisions of this chapter or the rules of the commissioner pertaining to this chapter.

(f)  Participated in, operated or held an interest in any entity to which subdivision (b), (c), (d) or (e) of this paragraph applies.

10.  Failure The applicant fails to satisfy the commissioner that sufficient land has been dedicated for the operation of the cemetery to make it financially secure with respect to the trust fund requirements of this article.

C.  A cemetery owner or operator shall not sell or offer for sale any plots without first obtaining a certificate of authority as provided in this section. Any sale of plots before the issuance of the certificate of authority is voidable by the purchaser. An action by the purchaser to void such a transaction shall be brought within three years of after the date of execution of the purchase agreement by the purchaser. In any such action, the prevailing party is entitled to reasonable attorney fees as determined by the court.

D.  An applicant objecting to the denial of a certificate of authority by the commissioner, within thirty days after receipt of the order of denial, may file a written request for a hearing.  The commissioner shall hold the hearing within twenty‑five days after the request unless the party requesting the hearing requests a postponement. If the hearing is not held within twenty‑five days after the request for a hearing is received, plus the period of any such postponement, or if a proposed decision is not rendered within forty‑five days after submission, the order of denial shall be rescinded and a certificate of authority shall be issued.

E.  On the commissioner's own motion or if the commissioner has received a complaint and has satisfactory evidence that the cemetery owner or agent is violating any provision of this article or the rules of the commissioner or has engaged in any unlawful practice as defined in section 44‑1522 with respect to the sale of cemetery plots or deviated from the conditions under which the certificate of authority was issued, the commissioner may investigate the cemetery project and examine the books and records of the cemetery owner or agent.  For the purpose of examination, the cemetery owner or agent shall keep and maintain records of all sales transactions and monies the cemetery owner or agent received at the broker's main office or at an off‑site storage location in this state if the owner or agent provides prior written notification of the street address of the off‑site storage location to the department. The cemetery owner or agent shall make the records accessible to the commissioner on reasonable notice and demand.

F.  The commissioner On the commissioner's own motion or if the commissioner has received a complaint and has satisfactory evidence that any of the grounds exist as provided in subsection B of this section or that any person has engaged in any unlawful practice as defined in section 44‑1522 with respect to the sale of cemetery plots or has deviated from the conditions under which the certificate of authority was issued, before or after the commissioner issues the certificate of authority as provided in this section, the commissioner may conduct an investigation of such matter, issue a summary order as provided in section 32‑2157, or hold a public hearing and, after the hearing, may issue such order or orders as the commissioner deems necessary to protect the public interest and ensure compliance with the law, rules or certificate of authority, or the commissioner may bring an action in any court of competent jurisdiction against the person to enjoin the person from continuing such a violation or engaging in a violation or doing any act or acts in furtherance of a violation.  The court may make such orders or judgments, including the appointment of a receiver, as that may be necessary to prevent the use or employment by a person of any unlawful practices or which that may be necessary to restore to any person in interest any monies or property, real or personal, which that may have been acquired by means of any practice declared to be unlawful in this article.

G.  If it appears to the commissioner that a person has engaged in or is engaging in a practice declared to be unlawful by this article and that such the person is concealing assets or has made arrangements to conceal assets or is about to leave this state, the commissioner may apply to the superior court, without notice, for an order appointing a receiver of the assets of such the person or for a writ of ne exeat, or both.

H.  The court on receipt of an application for the appointment of a receiver or for a writ of ne exeat, or both, shall examine the verified application of the commissioner and such other evidence that the commissioner may present to the court. If satisfied that the interests of the public require the appointment of a receiver or the issuance of a writ of ne exeat without notice, the court shall issue an order appointing the receiver or issue the writ, or both.  If the court determines that the interests of the public will not be harmed by the giving of notice, the court shall set a time for a hearing and require that such the notice be given as the court deems satisfactory.

I.  If the court appoints a receiver without notice, the court shall further direct that a copy of the order appointing a receiver be served on the person engaged in or engaging in a practice declared to be unlawful under this article by delivering such the order to the last address of the person which that is on file with the state real estate department. The order shall inform the person that he the person has the right to request a hearing within ten days after the date of the order, and if requested, the hearing shall be held within thirty days after the date of the order. END\_STATUTE

Sec. 80. Section 36-414, Arizona Revised Statutes, is amended to read:

36-414. Health services licensing fund; exemption

A. The health services licensing fund is established consisting of monies deposited pursuant to sections 30-654, 32-1308, 32-2805, 36-405, 36-851.01, 36-882, 36-897.01 and 36-1903. The department of health services shall administer the fund.

B. Monies in the fund are subject to legislative appropriation.

C. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

Sec. 81  Section 41-1092, Arizona Revised Statutes, is amended to read:

START\_STATUTE41-1092.  Definitions

In this article, unless the context otherwise requires:

1.  "Administrative law judge" means an individual or an agency head, board or commission that sits as an administrative law judge, that conducts administrative hearings in a contested case or an appealable agency action and that makes decisions regarding the contested case or appealable agency action.

2.  "Administrative law judge decision" means the findings of fact, conclusions of law and recommendations or decisions issued by an administrative law judge.

3.  "Adversely affected party" means:

(a)  An individual who both:

(i)  Provides evidence of an actual injury or economic damage that the individual has suffered or will suffer as a direct result of the action and not due to being a competitor or a general taxpayer.

(ii)  Timely submits comments on the license application that include, with sufficient specificity, the questions of law, if applicable, that are the basis for the appeal.

(b)  A group or association that identifies, by name and physical address in the notice of appeal, a member of the group or association who would be an adversely affected party in the individual's own right.

4.  "Appealable agency action" means an action that determines the legal rights, duties or privileges of a party, including the administrative completeness of an application other than an application submitted to the department of water resources pursuant to title 45, and that is not a contested case.  Appealable agency actions do not include interim orders by self‑supporting regulatory boards, rules, orders, standards or statements of policy of general application issued by an administrative agency to implement, interpret or make specific the legislation enforced or administered by it or clarifications of interpretation, nor does it mean or include rules concerning the internal management of the agency that do not affect private rights or interests. For the purposes of this paragraph, administrative hearing does not include a public hearing held for the purpose of receiving public comment on a proposed agency action.

5.  "Director" means the director of the office of administrative hearings.

6.  "Final administrative decision" means a decision by an agency that is subject to judicial review pursuant to title 12, chapter 7, article 6.

7.  "Licensee":

(a)  Means any individual or business entity that has been issued a license by a state agency to engage in any business or activity in this state and that is subject to a licensing decision.

(b)  Includes any individual or business entity that has applied for such a license and that appeals a licensing decision pursuant to section 41‑1092.08 or 41‑1092.12.

8.  "Office" means the office of administrative hearings.

9.  "Self‑supporting regulatory board" means any one of the following:

(a)  The Arizona state board of accountancy.

(b)  The barbering and cosmetology board.

(c)  The board of behavioral health examiners.

(d)  The Arizona state boxing and mixed martial arts commission.

(e)  The state board of chiropractic examiners.

(f)  The state board of dental examiners.

(g)  The state board of funeral directors and embalmers.

(h)  (g)  The Arizona game and fish commission.

(i)  (h)  The board of homeopathic and integrated medicine examiners.

(j)  (i)  The Arizona medical board.

(k)  (j)  The naturopathic physicians medical board.

(l)  (k)  The Arizona state board of nursing.

(m)  (l)  The board of examiners of nursing care institution administrators and assisted living facility managers.

(n)  (m)  The board of occupational therapy examiners.

(o)  (n)  The state board of dispensing opticians.

(p)  (o)  The state board of optometry.

(q)  (p)  The Arizona board of osteopathic examiners in medicine and surgery.

(r)  (q)  The Arizona peace officer standards and training board.

(s)  (r)  The Arizona state board of pharmacy.

(t)  (s)  The board of physical therapy.

(u)  (t)  The state board of podiatry examiners.

(v)  (u)  The state board for private postsecondary education.

(w)  (v)  The state board of psychologist examiners.

(x)  (w)  The board of respiratory care examiners.

(y)  (x)  The state board of technical registration.

(z)  (y)  The Arizona state veterinary medical examining board.

(aa)  (z)  The acupuncture board of examiners.

(bb)  (aa)  The Arizona regulatory board of physician assistants.

(cc)  (bb)  The board of athletic training.

(dd)  (cc)  The board of massage therapy. END\_STATUTE

Sec. 82  Repeal

Section 41-3023.17, Arizona Revised Statutes, is repealed.

Sec. 83  Section 41-3028.03, Arizona Revised Statutes, is amended to read:

START\_STATUTE41-3028.03.  Department of health services; termination July 1, 2028

A.  The department of health services terminates on July 1, 2028.

B.  The provisions of title 36 relating to the department of health services and its divisions, title 32, chapter 12 and this section are repealed on January 1, 2029. END\_STATUTE

Sec. 84  Succession

A.  As provided by this act, the department of health services succeeds to the authority, powers, duties and responsibilities of the state board of funeral directors and embalmers.

B.  This act does not alter the effect of any actions that were taken or impair the valid obligations of the state board of funeral directors and embalmers in existence before the effective date of this act.

C.  Administrative rules and orders that were adopted by the state board of funeral directors and embalmers continue in effect until superseded by administrative action by the department of health services.

D.  All administrative matters, contracts and judicial and quasi‑judicial actions, whether completed, pending or in process, of the state board of funeral directors and embalmers on the effective date of this act are transferred to and retain the same status with the department of health services.

E.  All certificates, licenses, registrations, permits and other indicia of qualification and authority that were issued by the state board of funeral directors and embalmers retain their validity for the duration of their terms of validity as provided by law.

F.  All equipment, records, furnishings and other property, all data and investigative findings, all obligations and all appropriated monies that remain unexpended and unencumbered on the effective date of this act of the state board of funeral directors and embalmers are transferred to the department of health services.

G.  All personnel who are under the state personnel system and employed by the state board of funeral directors and embalmers are transferred to comparable positions and pay classifications in the respective administrative units of the department of health services on the effective date of this act.

H. Notwithstanding section 32-1309, Arizona Revised Statutes, as amended by this act, all fees that are authorized by section 32-1309, Arizona Revised Statutes, remain in effect until the department of health services establishes fees through the rulemaking process.

Sec. 85. Use of monies

Notwithstanding any other law, the department of health services may use up to $870,000 from the funeral directors fund established by section 32-1308, Arizona Revised Statutes, as added by this act, to assist in the transference of authority, powers, duties and responsibilities from the state board of funeral directors and embalmers to the department of health services.

Sec. 86  Retroactivity

This act applies retroactively to from and after March 31, 2023.

Sec. 87. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law.