

~~funeral services regulation; DHS~~  
(now: funeral services; DHS; advisory committee)

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

## CHAPTER 194

# SENATE BILL 1210

### 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, 32-1361, 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, 36-414 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)

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

2 Section 1. Section 32-321, Arizona Revised Statutes, is amended to  
3 read:

4 32-321. Nonapplicability of chapter

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

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

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

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

13 4. Students attending schools licensed ~~pursuant to this chapter or~~  
14 ~~chapter 5 of this title~~ BY THE BOARD while they are on school premises  
15 during school hours OR OFF CAMPUS AT A SCHOOL-SPONSORED EVENT.

16 5. Persons WHO ARE licensed pursuant to chapter 5 ~~or 12~~ of this  
17 title OR WHO WORK IN A PROFESSION REGULATED UNDER CHAPTER 12 OF THIS  
18 TITLE.

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

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

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

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

31 Sec. 2. Section 32-506, Arizona Revised Statutes, is amended to  
32 read:

33 32-506. Nonapplicability of chapter

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

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

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

40 3. Persons who are licensed pursuant to chapter 3 ~~or 12~~ of this  
41 title OR WHO WORK IN A PROFESSION THAT IS REGULATED UNDER CHAPTER 12 OF  
42 THIS TITLE.

43 4. Students who are attending schools licensed ~~pursuant to this~~  
44 ~~chapter~~ BY THE BOARD while they are on school premises during school hours  
45 or off campus at a school-sponsored event.

- 1           5. Persons employed by theatrical groups who apply makeup, oils and  
2 cosmetics.
- 3           6. Persons who sell makeup, oils and cosmetics and who apply such  
4 products during the process of selling such products.
- 5           7. Shampoo assistants who shampoo hair under the direction of a  
6 cosmetologist or hairstylist licensed pursuant to this chapter.
- 7           8. Services performed by and for persons who are in the custody of  
8 the state department of corrections.
- 9           9. Persons who apply makeup, oils and cosmetics to patients in a  
10 hospital, nursing home or residential care institution with the consent of  
11 the patient and the hospital, nursing home or residential care  
12 institution.
- 13          10. Persons who provide a service that results in tension on hair  
14 strands or roots by twisting, wrapping, weaving, extending, locking or  
15 braiding if the service does not include the application of dyes, reactive  
16 chemicals or other preparations to alter the color of the hair or to  
17 straighten, curl or alter the structure of the hair.
- 18          11. Persons who provide threading.
- 19          12. Persons who provide tanning services by means of airbrushing,  
20 tanning beds or spray tanning.
- 21          13. Persons who apply makeup, including eyelash enhancements. This  
22 paragraph does not apply if a person is engaging in the practice of  
23 aesthetics or cosmetology. A person who is exempt pursuant to this  
24 paragraph shall post a sign in a conspicuous location in the person's  
25 place of business notifying the public that the person's services are not  
26 regulated by the board.
- 27          14. Persons who dry, style, arrange, dress, curl, hot iron or  
28 shampoo and condition hair if the service does not include applying  
29 reactive chemicals to permanently straighten, curl or alter the structure  
30 of the hair and if the person takes and completes a class relating to  
31 sanitation, infection protection and law review that is provided by the  
32 board or its designee. This paragraph does not apply if a person is  
33 engaging in the practice of aesthetics or cosmetology. A person who is  
34 exempt pursuant to this paragraph shall post a sign in a conspicuous  
35 location in the person's place of business notifying the public that the  
36 person's services are not regulated by the board.
- 37          15. Persons who are participating in a department of economic  
38 security-approved apprenticeship program in cosmetology as described in  
39 section 32-511 while working with a mentor in an establishment that is  
40 licensed by the board.
- 41          16. Persons who are licensed in another state and who are working  
42 in this state at a charitable event that benefits a nonprofit  
43 organization.
- 44          17. Persons who are licensed in another state, who are in this  
45 state for not more than two weeks and who provide services for persons who

1 are attending an athletic, charitable, artistic or social event in this  
2 state.

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

7 Sec. 3. Heading change

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

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

14 Sec. 4. Section 32-1301, Arizona Revised Statutes, as amended by  
15 Laws 2022, chapter 257, section 3, is amended to read:

16 32-1301. Definitions

17 In this chapter, unless the context otherwise requires:

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

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

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

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

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

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

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

33 4. "Alkaline hydrolysis container":

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

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

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

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

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

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

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

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

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

14           ~~12.~~ 11. "Business entity" includes any corporation, association,  
15 limited liability company, professional corporation, partnership, limited  
16 partnership, sole proprietorship, business trust, trust, joint venture and  
17 other business entity.

18           ~~13.~~ 12. "Casket" means a rigid container that is designed to  
19 permanently encase human remains and that is usually constructed of wood,  
20 metal or synthetic substances and ornamented and lined with fabric.

21           ~~14.~~ 13. "Change of ownership" means a transfer of a controlling  
22 legal or equitable interest in a licensed funeral establishment or  
23 crematory resulting from a sale or merger. If the establishment or  
24 crematory is operated by a business entity, any transfer of the ownership  
25 of ten percent or more of the entity constitutes a change of ownership.

26           ~~15.~~ 14. "Conviction" means a criminal adjudication or conviction  
27 by any state or federal court of competent jurisdiction, including a  
28 judgment based on a no contest plea, without regard to whether civil  
29 rights have been restored.

30           ~~16.~~ 15. "Cremated remains" means the remaining bone fragments  
31 after cremation.

32           ~~17.~~ 16. "Cremation" means the heating process that reduces human  
33 remains to bone fragments by combustion and evaporation.

34           ~~18.~~ 17. "Cremation container" means a leak and spill resistant,  
35 rigid, combustible, closed receptacle into which human remains are placed  
36 before cremation.

37           ~~19.~~ 18. "Cremationist" means a person who operates a crematory  
38 retort, who performs the actual cremation of human remains and who may be  
39 licensed pursuant to article 6 of this chapter.

40           ~~20.~~ 19. "Crematory" means a building or portion of a building that  
41 is licensed pursuant to article 6 of this chapter and that houses a retort  
42 in which only human remains are cremated.

43           20. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

44           21. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

1           ~~21.~~ 22. "Disciplinary action" means an action taken ~~by the board~~  
2 to revoke or suspend a license ~~or registration~~, to impose probationary  
3 requirements or civil penalties or to issue a letter of censure or  
4 reprimand to any person who is subject to this chapter and who violates  
5 any provision of this chapter or rules ~~adopted by the board~~.

6           ~~22.~~ 23. "Embalmer" means a person who is licensed pursuant to this  
7 chapter and who is engaged in embalming.

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

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

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

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

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

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

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

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

37           31. "Funeral goods and services":

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

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

1           ~~32. "Good moral character" means that a person:~~  
2           ~~(a) Has not been convicted of a class 1 or 2 felony by a court of~~  
3 ~~competent jurisdiction.~~  
4           ~~(b) Has not, within five years of applying for licensure or~~  
5 ~~registration, been convicted of a felony or misdemeanor if the offense has~~  
6 ~~a reasonable relationship to the person's proposed area of licensure or~~  
7 ~~registration.~~  
8           ~~(c) Has not, within five years of applying for licensure or~~  
9 ~~registration, committed any act involving dishonesty, fraud,~~  
10 ~~misrepresentation, breach of fiduciary duty, gross negligence or~~  
11 ~~incompetence if the act has a reasonable relationship to the person's~~  
12 ~~proposed area of licensure or registration.~~  
13           ~~(d) Is not currently incarcerated in or on community supervision~~  
14 ~~after a period of imprisonment in a local, state or federal penal~~  
15 ~~institution or on criminal probation.~~  
16           ~~(e) Has not engaged in fraud or misrepresentation in connection~~  
17 ~~with an application for licensure or registration under this chapter or an~~  
18 ~~examination required for licensure or registration.~~  
19           ~~(f) Has not, within five years of applying for licensure or~~  
20 ~~registration, had a license, registration or endorsement revoked or~~  
21 ~~suspended by the board or by the funeral services licensing authority of~~  
22 ~~any other jurisdiction.~~  
23           ~~(g) Has not surrendered a license, registration or endorsement to~~  
24 ~~the board or the funeral licensing authority of any other jurisdiction in~~  
25 ~~lieu of disciplinary action.~~  
26           ~~(h) Has not practiced funeral directing or embalming without a~~  
27 ~~license in this state or any other jurisdiction that requires licensure to~~  
28 ~~perform these activities.~~  
29        33. ~~32.~~ "Holding facility" means a designated area for retaining  
30 human remains.  
31        34. ~~33.~~ "Human remains" means a lifeless human body or parts of a  
32 human body that allow a reasonable inference that death occurred.  
33        35. ~~"Intern" means a person who is licensed pursuant to this~~  
34 ~~chapter and who is engaged in either or both of the following:~~  
35           ~~(a) Embalming under the supervision of a licensed embalmer.~~  
36           ~~(b) Arranging and directing funerals under the supervision of a~~  
37 ~~licensed funeral director.~~  
38        36. ~~"Intern trainee" means a person who intends to enter training~~  
39 ~~as an intern and who is temporarily employed by a funeral establishment.~~  
40        37. ~~34.~~ "License" means a written authorization that is issued by  
41 the ~~board~~ DEPARTMENT and that entitles a person to act as a funeral  
42 director, ~~OR~~ embalmer, ~~intern or alkaline hydrolysis operator~~ or to  
43 operate a funeral establishment, crematory or alkaline hydrolysis facility  
44 in this state.



1           ~~38.~~ 35. "Licensee" means a person to whom the ~~board~~ DEPARTMENT has  
2 issued a license ~~to act as a funeral director, embalmer, intern or~~  
3 ~~alkaline hydrolysis operator or to operate a funeral establishment,~~  
4 ~~crematory or alkaline hydrolysis facility in this state~~ UNDER THIS  
5 CHAPTER.

6           ~~39.~~ 36. "Manage" means:

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

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

13           ~~40.~~ 37. "National board examination" means the test or tests given  
14 by the INTERNATIONAL conference of funeral service examining boards to  
15 determine the entry level knowledge and skills of a person regarding  
16 funeral directing and embalming.

17           ~~41.~~ 38. "Net interest" means interest earned on a prearranged  
18 funeral trust account minus applicable taxes, reasonable and necessary  
19 charges made by the financial institution and the annual service fee  
20 allowed to be deducted by the funeral establishment according to section  
21 32-1391.06, subsection B.

22           ~~42.~~ 39. "Outer burial container" means a container that is  
23 designed for placement in a grave around a casket, including burial  
24 vaults, grave boxes and grave liners.

25           ~~43.~~ 40. "Owner":

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

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

32           ~~44.~~ 41. "Person legally responsible" means the person responsible  
33 for burying a dead body as determined in section 36-831.

34           ~~45.~~ 42. "Prearranged funeral agreement" means any agreement or  
35 combination of agreements under which a payment is made before the death  
36 of the intended beneficiary for funeral goods and services to be delivered  
37 or performed after the death of the beneficiary.

38           ~~46.~~ 43. "Prearranged funeral trust account" means a trust account  
39 that is established at a financial institution and into which all monies  
40 paid on behalf of a beneficiary pursuant to a prearranged funeral  
41 agreement are deposited.

42           ~~47.~~ 44. "Preparation" means washing, shaving, dressing or  
43 arranging hair on, applying cosmetics to or positioning bodily features on  
44 a dead human body and placing the dead human body in a casket.

1           ~~48.~~ 45. "Processed cremated remains" means cremated remains after  
2 they are pulverized and cleaned, leaving primarily small bone fragments.

3           ~~49.~~ 46. "Provisionally accredited" means being granted candidacy  
4 status by the American board of funeral service education.

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

9           ~~51.~~ 47. "Responsible cremationist" means a licensed cremationist  
10 who manages a crematory.

11           ~~52.~~ 48. "Responsible funeral director" means a person who is  
12 licensed pursuant to this chapter, who is engaged in funeral directing and  
13 who manages and is accountable for a funeral establishment.

14           ~~53.~~ 49. "Retort" means an enclosed space within which cremation  
15 takes place.

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

20           ~~55.~~ 50. "Supervise" or "supervision" means that a licensed  
21 embalmer has responsibility for and is within sight and sound of a  
22 ~~licensed intern~~ PERSON who is embalming a dead human body or ~~a student who~~  
23 ~~is~~ assisting in embalming a dead human body.

24           ~~56.~~ 51. "Temporary container" means a receptacle that is usually  
25 made of cardboard, rigid plastic or another similar material and that is  
26 designed to hold processed cremated remains until they are placed in an  
27 urn or another permanent container.

28           ~~57.~~ 52. "Trust funds" means all monies that are deposited on  
29 behalf of a beneficiary of a prearranged funeral agreement funded by trust  
30 and all accrued net interest. Trust funds shall be considered an account  
31 kept in suspense until distributed to the beneficiary, the funeral  
32 establishment or the estate of the beneficiary in accordance with this  
33 article.

34           ~~58.~~ 53. "Universal precautions" means the universal blood and  
35 fluid precautions recommended by the centers for disease control of the  
36 United States public health service to prevent the transmission of  
37 bloodborne and bodily fluid-borne infectious diseases.

38           ~~59.~~ 54. "Unprofessional conduct" includes the following acts,  
39 whether occurring in this state or elsewhere:

40           (a) Committing a class 1 or 2 felony.

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

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

4 (d) Bribing or offering to bribe, directly or indirectly, ~~a member~~  
5 AN EMPLOYEE of the ~~board~~ DEPARTMENT to influence the ~~member's~~ EMPLOYEE'S  
6 actions in performing the ~~member's~~ EMPLOYEE'S duties.

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

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

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

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

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

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

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

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

34 (m) Within a period of five years, having a license, ~~registration~~  
35 or endorsement suspended or revoked by the ~~board~~ DEPARTMENT or by the  
36 funeral services ~~licensing~~ REGULATING authority of THIS STATE OR any other  
37 jurisdiction or surrendering a license, ~~registration~~ or endorsement in  
38 lieu of disciplinary action.

39 ~~60:~~ 55. "Urn" means a receptacle into which processed cremated  
40 remains are placed for disposition.

41 Sec. 5. Repeal

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

1           Sec. 6. Section 32-1302, Arizona Revised Statutes, is amended to  
2 read:

3           32-1302. Advisory committee; members; appointment; terms;  
4                                   compensation; meetings; duties; annual evaluation

5           A. ~~The state board of funeral directors and embalmers is~~  
6 ~~established~~ AN ADVISORY COMMITTEE IS ESTABLISHED TO COLLABORATE WITH AND  
7 ASSIST THE DIRECTOR IN PERFORMING THE DUTIES PRESCRIBED IN THIS CHAPTER.  
8 The ~~board~~ ADVISORY COMMITTEE consists of seven members WHO ARE appointed  
9 by the governor pursuant to section 38-211. ADVISORY COMMITTEE members  
10 serve at the pleasure of the governor. ~~Board members serve~~ FOR staggered  
11 terms of four years beginning and ending on January 1 unless removed by  
12 the governor. The governor shall appoint a member for the unexpired  
13 portion of a term to fill a vacancy occurring during a term of office.  
14 THE ADVISORY COMMITTEE SHALL INCLUDE:

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

16           1. ~~Three~~ TWO members shall be practicing WHO ARE funeral directors  
17 ~~or embalmers~~ licensed under this chapter.

18           2. ONE MEMBER WHO IS AN EMBALMER LICENSED UNDER THIS CHAPTER.

19           3. ONE MEMBER WHO IS A CREMATIONIST LICENSED UNDER THIS CHAPTER.

20           4. ~~Four members shall be~~ THREE public members WHO ARE RESIDENTS OF  
21 THIS STATE, one of whom is an owner or manager of a business that has no  
22 pecuniary or proprietary interest in a funeral establishment or crematory  
23 or in the sale of funeral goods and services. The public members shall  
24 not be licensed under this chapter currently or have been licensed under  
25 this chapter in the five years preceding appointment.

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

30           ~~D. Members of the board are eligible to receive compensation~~  
31 ~~pursuant to section 38-611 for each day of actual service in the business~~  
32 ~~of the board.~~

33           B. MEMBERS OF THE ADVISORY COMMITTEE SHALL NOT RECEIVE COMPENSATION  
34 BUT SHALL BE REIMBURSED FOR SUBSISTENCE EXPENSES PURSUANT TO SECTION  
35 38-624 AND TRAVEL EXPENSES PURSUANT TO SECTION 38-623.

36           C. THE ADVISORY COMMITTEE SHALL ANNUALLY SELECT FROM ITS MEMBERSHIP  
37 A CHAIRPERSON FOR THE ADVISORY COMMITTEE.

38           D. THE ADVISORY COMMITTEE SHALL HOLD MEETINGS:

39           1. TWICE PER YEAR AT A TIME AND PLACE DESIGNATED BY THE  
40 CHAIRPERSON.

41           2. AT THE DIRECTOR'S REQUEST.

42           E. THE ADVISORY COMMITTEE SHALL:

43           1. PROVIDE THE DIRECTOR WITH SUCH RECOMMENDATIONS AS IT DEEMS  
44 NECESSARY AND BENEFICIAL TO THE BEST INTERESTS OF THE PUBLIC.

1           2. PROVIDE RECOMMENDATIONS ON SPECIFIC QUESTIONS OR PROPOSALS AS  
2 THE ADVISORY COMMITTEE DEEMS NECESSARY OR AS REQUESTED BY THE DIRECTOR.

3           F. THE ADVISORY COMMITTEE SHALL ANNUALLY PRESENT TO THE GOVERNOR AN  
4 EVALUATION OF THE PERFORMANCE OF THE DIRECTOR AND THE DEPARTMENT RELATING  
5 TO ENFORCING AND ADMINISTERING THIS CHAPTER.

6           Sec. 7. Repeal

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

9           Sec. 8. Section 32-1307, Arizona Revised Statutes, is amended to  
10 read:

11           32-1307. Powers and duties of department

12           A. The ~~board~~ DEPARTMENT shall:

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

15           ~~2. Adopt a seal.~~

16           ~~3.~~ 2. Maintain a record of the name and the mailing or employer's  
17 business address of each licensee ~~and registrant~~.

18           ~~4.~~ 3. Investigate alleged violations of this chapter and the rules  
19 adopted pursuant to this chapter.

20           ~~5.~~ 4. In accordance with title 41, chapter 6, adopt rules that  
21 include provisions relating to the following:

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

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

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

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

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

38           (f) Administrative and investigative procedures.

39           (g) The efficient administration of the ~~board's~~ DEPARTMENT'S  
40 affairs and the enforcement of this chapter.

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

43           (i) Any other matters the ~~board~~ DEPARTMENT deems necessary to carry  
44 out this chapter.

1 B. The ~~board~~ DEPARTMENT may:

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

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

8 ~~3.~~ 2. In connection with investigations or administrative  
9 hearings, issue subpoenas to compel the attendance of witnesses and the  
10 production of books, papers, contracts, agreements and other documents or  
11 records in any form, administer oaths and take testimony and evidence  
12 concerning all matters within its jurisdiction. The ~~board~~ DEPARTMENT may  
13 pay the fees and expenses of witnesses who appear in any proceeding before  
14 the ~~board~~ DEPARTMENT. If a person refuses to obey a subpoena issued by  
15 the ~~board~~ DEPARTMENT, the ~~board~~ DEPARTMENT may invoke the aid of any court  
16 in this state to require the attendance and testimony of witnesses and the  
17 production of documentary evidence.

18 ~~4.~~ 3. Contract with other state and federal agencies as it deems  
19 necessary to carry out this chapter.

20 ~~5.~~ 4. Charge reasonable fees to distribute materials that the  
21 ~~board~~ DEPARTMENT prints or has printed at its expense and for the costs of  
22 mailing these materials.

23 ~~6.~~ 5. Charge the reasonable costs of a fingerprint background  
24 check to an applicant for licensure ~~or registration.~~

25 Sec. 9. Repeal; transfer of monies

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

27 B. All unexpended and unencumbered monies remaining in the board of  
28 funeral directors' and embalmers' fund established by section 32-1308,  
29 Arizona Revised Statutes, as repealed by subsection A of this section, are  
30 transferred to the health services licensing fund established by section  
31 36-414, Arizona Revised Statutes, as amended by this act, on the effective  
32 date of this section.

33 Sec. 10. Title 32, chapter 12, article 1, Arizona Revised Statutes,  
34 is amended by adding a new section 32-1308, to read:

35 32-1308. Fees and monies collected; civil penalties

36 A. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146 AND  
37 35-147, ALL FEES AND OTHER MONIES COLLECTED UNDER THIS CHAPTER IN THE  
38 HEALTH SERVICES LICENSING FUND ESTABLISHED BY SECTION 36-414.

39 B. ALL CIVIL PENALTIES COLLECTED UNDER THIS CHAPTER SHALL BE  
40 DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE GENERAL  
41 FUND.

1           Sec. 11. Section 32-1309, Arizona Revised Statutes, is amended to  
2 read:

3           32-1309. Fees

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

- 7           1. ~~For~~ A funeral director license, ~~\$85.~~
- 8           2. ~~For~~ An embalmer license, ~~\$85.~~
- 9           ~~3. For an embalmer's assistant registration, \$85.~~
- 10          ~~4. For an intern license, \$85.~~
- 11          ~~5.~~ 3. ~~For~~ A funeral director or embalmer license for a person who  
12 does not reside in this state, ~~\$85.~~
- 13          ~~6. For a prearranged funeral salesperson registration, \$85.~~
- 14          ~~7.~~ 4. ~~For~~ A funeral establishment license:
  - 15           (a) For a new establishment, new owner or new location, ~~\$500.~~
  - 16           (b) For a change of name, ~~\$175.~~
- 17          ~~8. For a prearranged funeral sales establishment endorsement, \$185.~~
- 18          ~~9.~~ 5. ~~For~~ A crematory license:
  - 19           (a) For a new crematory, new owner or new location, ~~\$100 per~~  
20 ~~retort.~~
  - 21           (b) For a change of name, ~~\$175.~~
- 22          ~~10.~~ 6. ~~For~~ A cremationist license, ~~\$85.~~
- 23          ~~11.~~ 7. ~~For~~ An alkaline hydrolysis facility license:
  - 24           (a) For a new alkaline hydrolysis facility, ~~a fee in an amount to~~  
25 ~~be determined by the board.~~
  - 26           (b) For a change of name or location, ~~a fee in an amount to be~~  
27 ~~determined by the board.~~
- 28          ~~12.~~ 8. ~~For~~ An alkaline hydrolysis operator license, ~~a fee in an~~  
29 ~~amount to be determined by the board.~~
- 30          ~~13.~~ 9. ~~For~~ An interim alkaline hydrolysis facility permit, ~~a fee~~  
31 ~~in an amount to be determined by the board.~~
- 32          ~~14.~~ 10. ~~For~~ AN extension of an interim alkaline hydrolysis  
33 facility permit, ~~a fee in an amount to be determined by the board.~~
- 34          ~~B. The board shall establish and collect the following examination~~  
35 ~~fees:~~
  - 36           ~~1. For the funeral director state laws and rules examination, \$80.~~
  - 37           ~~2. For the embalmer state laws and rules examination, \$80.~~
  - 38           ~~3. For the prearranged funeral salesperson state laws and rules~~  
39 ~~examination, \$80.~~
  - 40           ~~4. For the funeral service science section of the state equivalent~~  
41 ~~examination, \$150.~~
  - 42           ~~5. For the funeral service arts section of the state equivalent~~  
43 ~~examination, \$150.~~

1           ~~C.~~ B. The ~~board~~ DEPARTMENT shall establish and collect the  
2 following license ~~and registration~~ issuance fees IN AN AMOUNT TO BE  
3 DETERMINED BY THE DEPARTMENT FOR EACH OF THE FOLLOWING:

- 4           1. ~~For~~ A funeral director license, ~~\$85.~~
- 5           2. ~~For~~ An embalmer license, ~~\$85.~~
- 6           ~~3. For an embalmer's assistant registration, \$85.~~
- 7           ~~4. For an intern license, \$85.~~
- 8           ~~5. For a prearranged funeral salesperson registration, \$85.~~
- 9           ~~6.~~ 3. ~~For~~ A cremationist license, ~~\$85.~~
- 10          ~~7.~~ 4. ~~For~~ An alkaline hydrolysis facility license, ~~a fee in an~~  
11 ~~amount to be determined by the board.~~
- 12          ~~8.~~ 5. ~~For~~ An alkaline hydrolysis operator license, ~~a fee in an~~  
13 ~~amount to be determined by the board.~~

14           ~~D.~~ C. The ~~board~~ DEPARTMENT shall establish and collect the  
15 following renewal fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT FOR  
16 EACH OF THE FOLLOWING:

- 17          1. ~~For~~ A funeral director license, ~~\$85.~~
- 18          2. ~~For~~ An embalmer license, ~~\$85.~~
- 19          ~~3. For an embalmer's assistant registration, \$85.~~
- 20          ~~4. For an intern license, \$85.~~
- 21          ~~5. For an assistant funeral director registration, \$85.~~
- 22          ~~6. For a prearranged funeral salesperson registration, \$85.~~
- 23          ~~7.~~ 3. ~~For~~ An establishment license, ~~\$4~~ for each disposition  
24 performed by the establishment during the immediately preceding calendar  
25 year. For the purposes of this paragraph, a funeral establishment  
26 performs a disposition each time the establishment files a death  
27 certificate pursuant to section 36-325.
- 28          ~~8. For a prearranged funeral sales establishment endorsement, \$185.~~
- 29          ~~9.~~ 4. ~~For~~ A crematory license, ~~\$200~~ per retort.
- 30          ~~10.~~ 5. ~~For~~ A cremationist license, ~~\$85.~~
- 31          ~~11.~~ 6. ~~For~~ An alkaline hydrolysis facility license, ~~a fee in an~~  
32 ~~amount to be determined by the board.~~
- 33          ~~12.~~ 7. ~~For~~ An alkaline hydrolysis operator license, ~~a fee in an~~  
34 ~~amount to be determined by the board.~~

35           ~~E.~~ D. The ~~board~~ DEPARTMENT shall establish and collect the  
36 following fees IN AN AMOUNT TO BE DETERMINED BY THE DEPARTMENT FOR EACH OF  
37 THE FOLLOWING:

- 38          1. ~~For~~ A duplicate license ~~or registration,~~ ~~\$25.~~
- 39          2. ~~For~~ A reexamination:  
40           ~~(a)~~ for a state laws and rules examination, ~~\$50.~~  
41           ~~(b)~~ ~~For the funeral service science section or the funeral service~~  
42 ~~arts section of the state equivalent examination, \$65.~~
- 43          3. ~~For~~ Late renewal of a licensee ~~or registration,~~ ~~\$35.~~



1           4. ~~For~~ Late renewal of an establishment license ~~or endorsement,~~  
2     \$60.

3           5. ~~For~~ Inactive licensure ~~or registration,~~ \$25.

4           6. ~~For~~ Reinstatement of an inactive license, ~~\$50.~~

5           ~~7. For reinstatement of an inactive registration, \$130.~~

6           ~~8. 7. For~~ An interim funeral establishment permit, ~~\$25.~~

7           ~~9. 8. For~~ Filing an annual trust report, ~~a fee of not more than~~  
8     \$200.

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

11           ~~F. The board may establish and collect a fee for intern trainees in~~  
12    ~~an amount to be determined by the board.~~

13           Sec. 12. Section 32-1310, Arizona Revised Statutes, is amended to  
14    read:

15           32-1310. Confidentiality; limited release to public

16           A. All examination materials, records of examination grading and  
17    performance, and transcripts of educational institutions concerning  
18    applicants, ~~AND~~ licensees ~~and registrants~~ are confidential and are not  
19    public records.

20           B. Complaints, investigative reports, documents, exhibits and other  
21    materials relating to an investigation are not public records and shall  
22    remain confidential except as provided in ~~subsection~~ SUBSECTIONS C AND E  
23    OF THIS SECTION.

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

28           D. After ~~the receipt of~~ RECEIVING a complaint, the ~~board~~ DEPARTMENT  
29    shall inform the licensee ~~or registrant~~ of the name of the complainant and  
30    the general nature of the complaint.

31           E. During an investigation, ~~following issuance of~~ AFTER THE  
32    DEPARTMENT ISSUES a formal hearing or informal interview notice, ~~and~~  
33    ~~after notifying~~ NOTIFIES the licensee ~~or registrant~~, the ~~board~~ DEPARTMENT  
34    may release the name of the complainant and the general nature of the  
35    complaint to the public.

36           Sec. 13. Section 32-1311, Arizona Revised Statutes, is amended to  
37    read:

38           32-1311. Immunity

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

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

1 Sec. 14. Section 32-1321, Arizona Revised Statutes, is amended to  
2 read:

3 32-1321. License requirement; persons not required to be  
4 licensed; nontransferability; display

5 A. A person shall not advertise or engage in funeral directing or  
6 embalming without having a valid license ~~or registration~~ issued by the  
7 ~~board~~ DEPARTMENT.

8 B. This article does not prohibit:

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

13 ~~2.~~ 1. A person from performing removals or arrangements or from  
14 directing funeral services IF THE PERSON IS under the direction of and  
15 accountable to a licensed funeral director.

16 ~~3.~~ 2. A licensed cemetery employee from selling burial or final  
17 disposition items or from arranging or directing cemetery services.

18 C. A license ~~or registration~~ issued by the ~~board~~ DEPARTMENT is not  
19 transferrable or subject to sale or assignment, whether by A voluntary or  
20 involuntary process.

21 D. A licensee ~~or registrant~~ shall conspicuously display the  
22 person's license ~~or registration~~ at the person's place of employment.

23 Sec. 15. Section 32-1322, Arizona Revised Statutes, is amended to  
24 read:

25 32-1322. Embalmers and funeral directors; qualifications for  
26 licensure

27 ~~A. An applicant for licensure as an intern shall:~~

28 ~~1. Hold a high school diploma or its equivalent.~~

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

31 ~~3. Be of good moral character.~~

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

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

35 2. Pass the embalmer state laws and rules examination.

36 ~~3. Be of good moral character.~~

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

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

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

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



1           Sec. 17. Repeal

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

3           Sec. 18. Section 32-1384, Arizona Revised Statutes, is transferred  
4 and renumbered for placement in title 32, chapter 12, article 2, Arizona  
5 Revised Statutes, as a new section 32-1324 and, as so renumbered, is  
6 amended to read:

7           32-1324. Multiple funeral director license; display;  
8                                   nontransferrability

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

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

18           C. A funeral director who holds a multiple funeral director license  
19 shall display the license at the FUNERAL establishment to which the  
20 license is issued. Unless otherwise stated in this article, a multiple  
21 funeral director license is renewable at the same time as the FUNERAL  
22 establishment license. A multiple funeral director license is not  
23 transferable without prior approval of the ~~board~~ DEPARTMENT.

24           Sec. 19. Repeal

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

27           Sec. 20. Section 32-1326, Arizona Revised Statutes, is amended to  
28 read:

29           32-1326. Embalmers and funeral directors; temporary licenses

30           The ~~board~~ DEPARTMENT may issue a temporary embalmer or funeral  
31 director license to a person who is not licensed in this state in cases of  
32 emergency or public disaster or for educational purposes if the person  
33 holds an active license in good standing issued by the funeral services  
34 licensing authority of another jurisdiction. The ~~board~~ DEPARTMENT shall  
35 issue a license under this section only for the category of licensure for  
36 which the person holds an active license issued by another jurisdiction.  
37 A temporary license issued under this section is valid for thirty days.  
38 The ~~board~~ DEPARTMENT may renew a temporary license once for a period of  
39 thirty or fewer days.

40           Sec. 21. Section 32-1327, Arizona Revised Statutes, is amended to  
41 read:

42           32-1327. National board examination

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

1 1. An examination application on a form prescribed by the ~~board~~  
2 DEPARTMENT.

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

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

6 4. All applicable fees pursuant to section 32-1309.

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

11 ~~C. B.~~ B. A person who takes ~~both sections of the state equivalent~~  
12 ~~examination or~~ the national board examination must achieve a passing score  
13 ACCORDING TO THE STANDARDS OF THE INTERNATIONAL CONFERENCE OF FUNERAL  
14 SERVICE EXAMINING BOARDS.

15 ~~D. C.~~ C. The ~~board~~ DEPARTMENT shall accept a passing score that an  
16 applicant achieved on ~~a state equivalent examination or a~~ THE national  
17 board examination taken within the five years immediately preceding the  
18 date that the applicant filed a license application with the ~~board~~  
19 DEPARTMENT.

20 Sec. 22. Section 32-1328, Arizona Revised Statutes, is amended to  
21 read:

22 32-1328. State laws and rules examination

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

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

29 1. The provisions of this chapter and rules adopted by the ~~board~~  
30 DEPARTMENT pursuant to this chapter.

31 2. THE applicable provisions of title 36 and rules adopted by the  
32 department ~~of health services~~ PURSUANT TO THE APPLICABLE PROVISIONS OF  
33 TITLE 36.

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

36 D. The ~~board~~ DEPARTMENT shall accept the passing score of an  
37 applicant achieved on a state laws and rules examination taken within one  
38 year immediately preceding the date that the applicant filed a license  
39 application with the ~~board~~ DEPARTMENT.

40 Sec. 23. Section 32-1329, Arizona Revised Statutes, is amended to  
41 read:

42 32-1329. Reexamination

43 A. An applicant who fails to pass the ~~state equivalent~~ NATIONAL  
44 BOARD examination or the state laws and rules examination may retake the  
45 examination within one year after the date that the applicant filed a

1 license application with the ~~board~~ DEPARTMENT. A person who desires to  
2 retake ~~an~~ THE STATE LAWS AND RULES examination shall request that the  
3 ~~board~~ DEPARTMENT schedule a second examination and shall submit the  
4 applicable fee pursuant to section 32-1309. ~~The state equivalent~~  
5 ~~examination may not be retaken in the same calendar quarter.~~

6 B. An applicant who fails to pass the ~~state equivalent~~ NATIONAL  
7 BOARD examination or the state laws and rules examination within one year  
8 after the date that the applicant originally filed a license application  
9 shall submit a new license application and the applicable fee pursuant to  
10 section 32-1309.

11 Sec. 24. Repeal

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

13 Sec. 25. Section 32-1331, Arizona Revised Statutes, is amended to  
14 read:

15 32-1331. Renewal of licenses

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

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

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

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

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

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

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

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

42 ~~G. An intern license may not be renewed more than three times.~~

1           Sec. 26. Section 32-1333, Arizona Revised Statutes, is amended to  
2 read:

3           32-1333. Notice of change in employment

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

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

13           ~~C.~~ B. A responsible funeral director who is licensed under this  
14 article shall notify the ~~board~~ DEPARTMENT in writing within five business  
15 days after a change in employment, excluding Saturdays, Sundays and other  
16 legal holidays.

17           Sec. 27. Section 32-1334, Arizona Revised Statutes, is amended to  
18 read:

19           32-1334. Inactive status

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

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

29           1. Embalming, funeral directing, ~~OR~~ cremation ~~or alkaline~~  
30 ~~hydrolysis~~ in this state.

31           2. ALKALINE HYDROLYSIS IN THIS STATE UNLESS THERE IS ANOTHER  
32 INDIVIDUAL AT THE ALKALINE HYDROLYSIS FACILITY WHO OPERATES OR SUPERVISES  
33 THE ALKALINE HYDROLYSIS FACILITY AND WHO IS LICENSED PURSUANT TO THIS  
34 CHAPTER.

35           C. A person who holds an inactive license may request that the  
36 ~~board~~ DEPARTMENT reactivate the person's license. If an inactive licensee  
37 desires to reactivate a license, the inactive licensee shall submit a  
38 completed application on a form prescribed by the ~~board~~ DEPARTMENT, the  
39 applicable fee pursuant to section 32-1309, a completed fingerprint card  
40 and the prescribed fingerprint background check fee. The person ~~shall~~  
41 ~~demonstrate that the person is of good moral character and~~ shall pass the  
42 applicable state laws and rules examination.

1           Sec. 28. Section 32-1335, Arizona Revised Statutes, is amended to  
2 read:

3           32-1335. Out-of-state licensees

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

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

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

23           Sec. 29. Section 32-1336, Arizona Revised Statutes, is amended to  
24 read:

25           32-1336. Department recognition; colleges of funeral service  
26 education or mortuary science

27           The ~~board~~ ~~DEPARTMENT~~ shall recognize any college of funeral service  
28 education or mortuary science that is either:

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

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

36           Sec. 30. Repeal

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

38           Sec. 31. Section 32-1338, Arizona Revised Statutes, is amended to  
39 read:

40           32-1338. Continuing education requirements; waiver

41           A. A person who is licensed ~~or registered~~ pursuant to this article  
42 shall complete continuing education designed to educate the person  
43 regarding current skills and procedures and developments in the funeral  
44 industry. The ~~board~~ ~~DEPARTMENT~~ may prescribe in its rules the number of



1 hours of continuing education required each year, not to exceed ~~sixteen~~  
2 SIX hours, and the subject matter ~~that shall~~ TO be covered.

3 B. The ~~board~~ DEPARTMENT shall waive the continuing education  
4 requirements for persons whose licenses have been placed on inactive  
5 status and for persons who are serving in the United States armed forces  
6 in time of war. The ~~board~~ DEPARTMENT may waive the continuing education  
7 requirement for good cause shown as prescribed in its rules.

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

10 32-1339. Fingerprinting of applicants; background checks

11 An applicant ~~for registration under this article or~~ for a license  
12 under this article other than a temporary license shall submit a full set  
13 of fingerprints to the ~~board~~ DEPARTMENT OF HEALTH SERVICES for the purpose  
14 of conducting a state and ~~national~~ FEDERAL criminal records check pursuant  
15 to section 41-1750 and ~~P.L.~~ PUBLIC LAW 92-544. The department of public  
16 safety is authorized to exchange this fingerprint data with the federal  
17 bureau of investigation.

18 Sec. 33. Section 32-1341, Arizona Revised Statutes, is amended to  
19 read:

20 32-1341. Alkaline hydrolysis facilities; license required

21 A person may not advertise or operate an alkaline hydrolysis  
22 facility without first obtaining an alkaline hydrolysis facility license  
23 issued by the ~~board~~ DEPARTMENT.

24 Sec. 34. Section 32-1342, Arizona Revised Statutes, is amended to  
25 read:

26 32-1342. Alkaline hydrolysis facilities; requirements

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

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

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

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

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

40 B. An alkaline hydrolysis facility:

41 1. Shall employ a licensed alkaline hydrolysis operator to carry  
42 out the process of alkaline hydrolysis. THIS PARAGRAPH DOES NOT APPLY IF  
43 THE ALKALINE HYDROLYSIS FACILITY IS OPERATED OR SUPERVISED BY A  
44 RESPONSIBLE CREMATIONIST.

45 2. Shall provide proper procedures for all personnel.

1           3. Shall comply with this chapter and other applicable state and  
2 federal laws relating to occupational and workplace health and safety.

3           Sec. 35. Section 32-1343, Arizona Revised Statutes, is amended to  
4 read:

5           32-1343. Alkaline hydrolysis operators; licensure;  
6                           application; qualifications; fingerprinting;  
7                           renewal

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

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

15           ~~1. Be of good moral character.~~

16           ~~2.~~ 1. Submit a completed fingerprint card and the prescribed  
17 fingerprint records check fee to the ~~board~~ DEPARTMENT OF HEALTH SERVICES  
18 to enable the ~~board~~ DEPARTMENT OF HEALTH SERVICES or the department of  
19 public safety to conduct a criminal records check.

20           ~~3.~~ 2. Meet the educational requirements as prescribed by the ~~board~~  
21 DEPARTMENT in rule.

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

25           ~~C.~~ D. If the ~~board~~ DEPARTMENT finds that the applicant meets the  
26 criteria for an alkaline hydrolysis operator license under this section  
27 and under rules adopted by the ~~board~~ DEPARTMENT, the ~~board~~ DEPARTMENT  
28 shall issue an alkaline hydrolysis operator license. A PERSON DOES NOT  
29 NEED TO BE LICENSED AS AN ALKALINE HYDROLYSIS OPERATOR IN ORDER TO  
30 PRACTICE AS AN ALKALINE HYDROLYSIS OPERATOR IF THE ALKALINE HYDROLYSIS  
31 FACILITY IS OPERATED OR SUPERVISED BY A RESPONSIBLE CREMATIONIST OR  
32 ANOTHER PERSON WHO IS A LICENSED ALKALINE HYDROLYSIS OPERATOR.

33           ~~D.~~ E. Except as provided in section 32-4301, an alkaline  
34 hydrolysis operator license issued pursuant to this article expires on  
35 August 1 of each year. A licensed alkaline hydrolysis operator shall  
36 submit a renewal application and the applicable nonrefundable renewal fee  
37 pursuant to section 32-1309 on or before July 1 of each year. A licensed  
38 alkaline hydrolysis operator that submits a renewal application and the  
39 applicable renewal fee after July 1 but before August 1 shall pay a late  
40 fee pursuant to section 32-1309 in addition to the renewal fee. A  
41 licensed alkaline hydrolysis operator that fails to submit a renewal  
42 application and the applicable fee on or before August 1 must apply for a  
43 new license pursuant to this article.

1           Sec. 36. Section 32-1344, Arizona Revised Statutes, is amended to  
2 read:

3           32-1344. Alkaline hydrolysis facilities; licensure  
4                                   requirements; application; renewal

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

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

20           ~~1. Be of good moral character.~~

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

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

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

34           E. Except as provided in section 32-4301, an alkaline hydrolysis  
35 facility license issued pursuant to this article expires on August 1 of  
36 each year. A licensed alkaline hydrolysis facility shall submit a renewal  
37 application and the applicable nonrefundable renewal fee pursuant to  
38 section 32-1309 on or before July 1 of each year. A licensed alkaline  
39 hydrolysis facility that submits a renewal application and the applicable  
40 renewal fee after July 1 but before August 1 shall pay a late fee pursuant  
41 to section 32-1309 in addition to the renewal fee. A licensed alkaline  
42 hydrolysis facility that fails to submit a renewal application and the  
43 applicable fee on or before August 1 must apply for a new license pursuant  
44 to this article.

1           Sec. 37. Section 32-1346, Arizona Revised Statutes, is amended to  
2 read:

3           32-1346. Alkaline hydrolysis facilities; nontransferability of  
4                                   license; interim permits; confidentiality;  
5                                   definition

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

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

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

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

26           2. The alkaline hydrolysis facility continues to meet the  
27 requirements of section 32-1342.

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

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

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

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

6 Sec. 38. Section 32-1347, Arizona Revised Statutes, is amended to  
7 read:

8 32-1347. Change of name or location

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

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

21 Sec. 39. Section 32-1361, Arizona Revised Statutes, is amended to  
22 read:

23 32-1361. Licensed embalmers; supervision; certification of  
24 embalming

25 A. Only a licensed embalmer, ~~a licensed intern, a registered~~  
26 ~~embalmer's assistant or a student who assists a licensed embalmer in the~~  
27 ~~embalming of dead human bodies pursuant to section 32-1337 shall~~ MAY  
28 embalm a dead human body, ~~. A licensed intern or student~~ EXCEPT THAT  
29 ANOTHER PERSON WHO IS EMPLOYED BY A FUNERAL ESTABLISHMENT AND ON A PATHWAY  
30 TO LICENSURE may ~~only~~ embalm a dead human body under the direct  
31 supervision of a licensed embalmer.

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

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

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

39 2. THE PERSON INTENDS TO BECOME LICENSED AFTER ASSISTING IN  
40 EMBALMING AT LEAST TWENTY-FIVE DEAD HUMAN BODIES OR ASSISTING IN ARRANGING  
41 AND DIRECTING AT LEAST TWENTY-FIVE FUNERALS.

1           Sec. 40. Section 32-1365.02, Arizona Revised Statutes, is amended  
2 to read:

3           32-1365.02. Authorizing agents; consent for cremation,  
4           disinterment or embalming; definition

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

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

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

- 13           1. The name of the authorizing agent.
- 14           2. The relation of the authorizing agent to the deceased.
- 15           3. The date and time that consent was given.
- 16           4. The name of the person who obtained the consent.
- 17           5. Any other information required by the ~~board~~ DEPARTMENT.

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

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

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

34           G. A funeral establishment, an employee or agent of a funeral  
35 establishment or a licensee shall exercise due diligence to obtain the  
36 consent required pursuant to this section from the proper authorizing  
37 agent. It is an affirmative defense to any action or claim brought  
38 against a crematory, cemetery or funeral establishment relating to the  
39 disposition of a dead human body that the crematory, cemetery or funeral  
40 establishment relied in good faith on the direction of a person who  
41 claimed to be the authorizing agent in providing for the lawful  
42 disposition of a dead human body. The decision of a crematory, cemetery  
43 or funeral establishment to cremate or otherwise provide for the lawful  
44 disposition of a dead human body in reliance on the direction of a person  
45 who claims to be the authorizing agent is presumed to be in good faith

1 unless the crematory, cemetery or funeral establishment has actual  
2 knowledge that the claim is false.

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

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

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

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

34 Sec. 41. Section 32-1366, Arizona Revised Statutes, is amended to  
35 read:

36 32-1366. Grounds for disciplinary action

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

42 1. Commission of an act of unprofessional conduct.

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

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

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

4 B. After a formal hearing, the ~~board~~ DEPARTMENT may deny or refuse  
5 to renew a license or take disciplinary action against a responsible  
6 funeral director for a violation of ~~any provision of~~ this chapter or any  
7 rule adopted pursuant to this chapter by an employee of the licensed  
8 funeral establishment that the responsible funeral director manages.

9 Sec. 42. Section 32-1367, Arizona Revised Statutes, is amended to  
10 read:

11 32-1367. Investigations; initial review; disciplinary  
12 proceedings; civil penalty; letters of concern;  
13 rehearings; inspections; probationary terms

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

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

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

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

32 1. Issue a letter of censure or reprimand.

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



1           3. Impose a civil penalty of not more than ~~one thousand dollars~~  
2     \$1,000 for each violation.

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

5           1. Issue a letter of censure or reprimand.

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

13          3. Impose a civil penalty not to exceed ~~three thousand dollars~~  
14     \$3,000 per violation.

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

18          5. Revoke a license, ~~registration~~ or endorsement.

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

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

30          H. Before the ~~board~~ DEPARTMENT may revoke or suspend a  
31 license, ~~registration~~ or endorsement, other than a temporary suspension  
32 imposed pursuant to subsection D of this section, the ~~board~~ DEPARTMENT  
33 shall serve notice and conduct a hearing in the manner prescribed in title  
34 41, chapter 6, article 10.

35          I. After service of notice of a decision of the ~~board~~ DEPARTMENT  
36 suspending or revoking a license, ~~registration~~ or endorsement or imposing  
37 a disciplinary action on a licensee ~~or registrant~~ pursuant to subsection D  
38 or E of this section, a licensee may apply for a rehearing or review by  
39 filing a motion pursuant to title 41, chapter 6, article 10. The filing  
40 of a motion for a rehearing or review suspends the operation of the  
41 ~~board's~~ DEPARTMENT'S decision to impose a disciplinary action and allows  
42 the licensee ~~or registrant~~ to continue to practice pending a denial or  
43 granting of the petition and pending the decision of the ~~board~~ DEPARTMENT  
44 on rehearing if a rehearing is granted. The ~~board~~ DEPARTMENT also may

1 grant a rehearing on its own motion if it finds newly discovered evidence  
2 or for any other reason that justifies a reconsideration of a matter.

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

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

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

16 M. IN ADDITION TO THE AUTHORITY GIVEN TO THE DEPARTMENT IN THIS  
17 SECTION, THE DEPARTMENT MAY IMPOSE PROBATIONARY TERMS AS DESCRIBED IN  
18 SUBSECTION D, PARAGRAPH 2 OF THIS SECTION AFTER THE DEPARTMENT INSPECTS A  
19 FUNERAL ESTABLISHMENT, CREMATORY OR ALKALINE HYDROLYSIS FACILITY IF THE  
20 DEPARTMENT DEEMS THE PROBATIONARY TERMS NECESSARY TO PROTECT THE PUBLIC  
21 HEALTH, SAFETY AND WELFARE AND TO REHABILITATE OR EDUCATE THE LICENSEE.

22 Sec. 43. Section 32-1368, Arizona Revised Statutes, is amended to  
23 read:

24 32-1368. Administrative costs

25 On its determination that a licensee ~~or registrant~~ has violated  
26 ~~a provision of~~ this chapter or a rule adopted pursuant to this chapter,  
27 the ~~board~~ DEPARTMENT may assess the licensee ~~or registrant~~ its  
28 administrative costs and expenses incurred in conducting the investigation  
29 and its administrative costs and expenses incurred in connection with the  
30 informal interview or formal hearing. The ~~board~~ DEPARTMENT may assess  
31 these administrative costs and expenses in addition to any civil penalties  
32 imposed pursuant to section 32-1367. The ~~board~~ DEPARTMENT shall deposit,  
33 pursuant to sections 35-146 and 35-147, all monies collected pursuant to  
34 this section in the ~~board of funeral directors' and embalmers'~~ HEALTH  
35 SERVICES LICENSING fund ESTABLISHED BY SECTION 36-414 to defray the  
36 ~~board's~~ DEPARTMENT'S expenses in connection with disciplinary  
37 investigations and hearings. ~~Notwithstanding section 35-143.01,~~ These  
38 monies may be spent on investigations and hearings without legislative  
39 appropriation.

40 Sec. 44. Section 32-1369, Arizona Revised Statutes, is amended to  
41 read:

42 32-1369. Cease and desist orders; injunctive relief; civil  
43 penalty

44 A. In addition to all other remedies, if it appears to the ~~board~~  
45 DEPARTMENT, either on complaint or otherwise, that any person has engaged

1 in or is engaging in any act, practice or transaction that constitutes a  
2 violation of this chapter, of title 44, chapter 10, article 7 or of any  
3 rule adopted pursuant to this chapter, the ~~board~~ DEPARTMENT may either:

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

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

16 B. A person who receives a cease and desist order issued by the  
17 ~~board~~ DEPARTMENT pursuant to subsection A, paragraph 1 OF THIS SECTION is  
18 entitled to a hearing pursuant to title 41, chapter 6, article 10 within  
19 thirty days after the effective date of the order.

20 C. If a person fails to comply with an order issued by the ~~board~~  
21 DEPARTMENT pursuant to subsection A, paragraph 1 OF THIS SECTION, the  
22 ~~board~~ DEPARTMENT shall file an action pursuant to subsection A, paragraph  
23 2 OF THIS SECTION to restrain and enjoin the person from engaging in the  
24 act, practice or transaction. The court in the action shall proceed as in  
25 other actions for injunction. If the court finds that the person wilfully  
26 failed to obey a valid cease and desist order issued by the ~~board~~  
27 DEPARTMENT, the court shall impose a civil penalty of at least ~~two hundred~~  
28 ~~fifty~~ \$250 and not more than ~~one thousand dollars~~ \$1,000 per violation.

29 Sec. 45. Section 32-1371, Arizona Revised Statutes, is amended to  
30 read:

31 32-1371. List of prices of funeral goods and services offered

32 A. The ~~board~~ DEPARTMENT shall adopt rules that require every  
33 licensee ~~or registrant~~ to give a standardized written or printed price  
34 list for retention to each person who personally inquires about funeral  
35 arrangements or prices of funeral goods ~~or~~ AND services. A funeral  
36 establishment shall offer each person the price list on beginning a  
37 discussion either of funeral arrangements or of the selection of funeral  
38 goods ~~or~~ AND services.

39 B. A price list shall be presented in an accurate and readable  
40 manner in order to facilitate price comparisons by funeral service  
41 consumers.

1           Sec. 46. Section 32-1372, Arizona Revised Statutes, is amended to  
2 read:

3           32-1372. Display of merchandise prices; rules

4           The ~~board~~ DEPARTMENT shall adopt rules that require each funeral  
5 establishment to place a price card in a conspicuous place with each  
6 casket, alternative container, outer burial container, alkaline hydrolysis  
7 container or other item of funeral goods available for purchase. A  
8 funeral establishment shall place each price card in a location that  
9 enables a person to view the card without physically handling the card.  
10 Merchandise photographs must have the price of the merchandise displayed  
11 in a conspicuous manner.

12          Sec. 47. Section 32-1373, Arizona Revised Statutes, is amended to  
13 read:

14          32-1373. Statement of funeral goods and services

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

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

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

28           3. An itemization of fees or charges and the total amount of cash  
29 advances made by the licensee ~~or registrant~~ for transportation, flowers,  
30 cemetery or crematory charges, newspaper notices, clergy ~~honorarium~~  
31 HONORARIA, transcripts, telegrams, long-distance telephone calls, music  
32 and any other advances authorized by the purchaser.

33           4. The method of payment and any interest charges.

34           5. An itemization of any fees or charges not included in paragraphs  
35 1 through 4 of this subsection.

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

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

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

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

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

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

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

23 Sec. 48. Section 32-1374, Arizona Revised Statutes, is amended to  
24 read:

25 32-1374. Price list requirement; exemption

26 When a licensee ~~or registrant~~ makes arrangements by interstate  
27 telecommunications to perform services in this state with any person  
28 residing outside this state, the licensee ~~or registrant~~ is not required to  
29 provide the written price list required pursuant to section 32-1371.

30 Sec. 49. Section 32-1375, Arizona Revised Statutes, is amended to  
31 read:

32 32-1375. Price lists; telephone information

33 A. A licensee or ~~registrant~~ **AUTHORIZED EMPLOYEE** shall provide  
34 accurate information about the retail prices of funeral goods ~~or~~ **AND**  
35 services readily available for sale at the **FUNERAL** establishment at which  
36 the licensee or ~~registrant~~ **AUTHORIZED EMPLOYEE** is employed to any person  
37 inquiring about these prices by telephone.

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

41 ~~B.~~ C. If a person requests a price list by telephone **TO BE SENT BY**  
42 **MAIL**, the **FUNERAL** establishment shall mail a price list to the caller and  
43 may charge a reasonable postage and handling fee of not more than ~~two~~  
44 ~~dollars~~ **\$2.**



1 drainage and ventilation and that is equipped with instruments and  
2 supplies necessary ~~for the protection of~~ TO PROTECT the health and safety  
3 of the public and THE employees of the FUNERAL establishment in connection  
4 with ~~the preparation~~ PREPARING and embalming ~~of~~ dead human bodies.  
5 ~~Nothing prohibits~~ THIS PARAGRAPH DOES NOT PROHIBIT the embalming of a body  
6 at a central location.

7 (c) A display area for displaying funeral goods or ~~the display of~~  
8 FOR DISPLAYING funeral goods by photograph or electronic means.

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

12 3. Employ and designate a responsible funeral director to manage  
13 and supervise the daily operation of the funeral establishment. The  
14 responsible funeral director is responsible for the funeral establishment  
15 complying with the laws of this state and the rules of the ~~board~~  
16 DEPARTMENT. The FUNERAL establishment or the responsible funeral director  
17 shall designate a licensed funeral director to act as an interim  
18 responsible funeral director.

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

23 Sec. 54. Section 32-1383, Arizona Revised Statutes, is amended to  
24 read:

25 32-1383. Application; qualifications for funeral  
26 establishment licensure

27 A. An applicant for a funeral establishment license shall submit a  
28 completed application on a form prescribed by the ~~board~~ DEPARTMENT. The  
29 application shall be subscribed under oath and shall be accompanied by the  
30 applicable fee pursuant to section 32-1309 and any additional information  
31 that the ~~board~~ DEPARTMENT deems necessary. A business entity that applies  
32 for a license pursuant to this article shall submit to the ~~board~~  
33 DEPARTMENT with its application for licensure a copy of its partnership  
34 agreement, its articles of incorporation or any other organizational  
35 documents REQUIRED TO BE FILED WITH THE CORPORATION COMMISSION.

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

39 ~~1. Be of good moral character.~~

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

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

1 D. If the ~~board~~ DEPARTMENT finds that the applicant meets the  
2 criteria for licensure under this article and rules adopted by the ~~board~~  
3 DEPARTMENT, the ~~board~~ DEPARTMENT shall issue ~~an~~ A FUNERAL establishment  
4 license.

5 Sec. 55. Section 32-1388, Arizona Revised Statutes, is amended to  
6 read:

7 32-1388. Nontransferability of funeral establishment  
8 licenses; change of ownership; interim permits;  
9 definition

10 A. A funeral establishment license issued by the ~~board~~ DEPARTMENT  
11 is not transferable or subject to sale or assignment, whether by A  
12 voluntary or involuntary process.

13 B. ~~When~~ IF there is a change of ownership of a funeral  
14 establishment, the licensee shall notify the ~~board~~ DEPARTMENT in writing  
15 and shall surrender the license to the ~~board~~ DEPARTMENT within twenty days  
16 after the change of ownership. The new owner shall also notify the ~~board~~  
17 DEPARTMENT in writing within twenty days after the change of ownership and  
18 shall submit an application for a funeral establishment license to the  
19 ~~board~~ DEPARTMENT pursuant to section 32-1383.

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

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

30 2. The funeral establishment continues to meet the requirements of  
31 section 32-1382.

32 D. An interim permit issued by the ~~board~~ DEPARTMENT pursuant to  
33 this section shall be for not more than forty-five days and shall not be  
34 extended except as provided in subsection E of this section. An interim  
35 permit is a conditional permit and authorizes the holder to operate a  
36 funeral establishment as would be ~~permitted~~ ALLOWED under a funeral  
37 establishment license issued pursuant to this article. The holder of an  
38 interim permit is subject to the licensing rules and disciplinary  
39 proceedings prescribed in this chapter and in rules adopted pursuant to  
40 this chapter.

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

44 F. Until an interim permit is issued, the ~~board~~ DEPARTMENT shall  
45 keep confidential all notices filed with the ~~board~~ DEPARTMENT by the



1 prospective new owner of a licensed funeral establishment pursuant to this  
2 section.

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

8 Sec. 56. Section 32-1389, Arizona Revised Statutes, is amended to  
9 read:

10 32-1389. Application for change of name

11 The owner of a licensed funeral establishment shall submit an  
12 application on a form prescribed by the ~~board~~ DEPARTMENT to change the  
13 name of the funeral establishment. The application shall be subscribed  
14 under oath and shall be accompanied by the applicable fee pursuant to  
15 section 32-1309.

16 Sec. 57. Section 32-1390, Arizona Revised Statutes, is amended to  
17 read:

18 32-1390. Application for change of location

19 The owner of a ~~licensed~~ funeral establishment shall submit an  
20 application on a form prescribed by the ~~board~~ DEPARTMENT to change the  
21 location of the funeral establishment. The application shall be  
22 subscribed under oath and shall be accompanied by the applicable fee  
23 pursuant to section 32-1309. Before the ~~board~~ DEPARTMENT approves a  
24 request for a change of location pursuant to this section, the owner shall  
25 demonstrate that the new location meets the requirements of section  
26 32-1382.

27 Sec. 58. Section 32-1390.01, Arizona Revised Statutes, is amended  
28 to read:

29 32-1390.01. Prohibited acts; disciplinary actions; agents and  
30 employees; civil penalty

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

- 34 1. COMMITTING fraud or misrepresentation in obtaining a license.
- 35 2. ~~Failure~~ FAILING to employ and designate a responsible funeral  
36 director.
- 37 3. ~~The display~~ DISPLAYING or ~~use of~~ USING a funeral establishment  
38 license at any place other than the FUNERAL establishment to which it is  
39 issued.
- 40 4. ~~A violation of any provision of~~ VIOLATING title 44, chapter 10,  
41 article 7.
- 42 5. ~~A violation of any provision of~~ VIOLATING this chapter or a rule  
43 adopted pursuant to this chapter.

1           6. THE COMMISSION OF an act by an agent or an employee of ~~a~~ THE  
2 funeral establishment that violates ~~any provision of~~ this chapter or rules  
3 adopted pursuant to this chapter.

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

8           C. If the ~~board~~ DEPARTMENT finds that a funeral establishment has  
9 committed an offense listed in subsection A OF THIS SECTION, ~~it~~ THE  
10 DEPARTMENT may take any of the following actions:

11           1. Issue a letter of censure or reprimand.

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

17           3. Impose a civil penalty not to exceed ~~three thousand dollars~~  
18 \$3,000 per violation.

19           4. Revoke the license of the FUNERAL establishment pursuant to a  
20 disciplinary proceeding.

21           5. Suspend the license OF THE FUNERAL ESTABLISHMENT for not more  
22 than ninety days for a first offense or not more than one hundred eighty  
23 days for a second offense.

24           Sec. 59. Section 32-1390.02, Arizona Revised Statutes, is amended  
25 to read:

26           32-1390.02. Disciplinary proceedings; notice

27           A. Article 3 of this chapter and rules adopted pursuant to article  
28 3 of this chapter govern disciplinary proceedings brought against a  
29 funeral establishment.

30           B. Any notice required to be served by the ~~board~~ DEPARTMENT  
31 pursuant to section 32-1367, subsection K on a person WHO IS licensed  
32 pursuant to article 2 of this chapter shall also be served by the ~~board~~  
33 DEPARTMENT on each funeral establishment that employed or hired the person  
34 at the time of the conduct causing the ~~board~~ DEPARTMENT to serve the  
35 notice on the person. Each funeral establishment shall identify the  
36 person to whom the ~~board~~ DEPARTMENT shall send the notice to be served on  
37 the funeral establishment as required by this subsection.

38           Sec. 60. Section 32-1391.01, Arizona Revised Statutes, is amended  
39 to read:

40           32-1391.01. Powers and duties of department

41           A. The ~~board~~ DEPARTMENT shall adopt rules that:

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

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

4           3. Prescribe funeral establishment recordkeeping requirements  
5 concerning prearranged funeral trust sales and PREARRANGED FUNERAL trust  
6 accounts and the handling and disposition of trust funds.

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

9           B. The ~~board~~ DEPARTMENT OF HEALTH SERVICES shall enter into an  
10 intergovernmental agreement with the department of insurance and financial  
11 institutions to examine and report on prearranged funeral trust accounts  
12 of funeral establishments and to review prearranged funeral trust sales  
13 and trust account forms and procedures used by funeral establishments.

14           Sec. 61. Section 32-1391.02, Arizona Revised Statutes, is amended  
15 to read:

16           32-1391.02. Prearranged funeral agreements; restrictions on  
17 sales

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

21           B. The ~~board~~ DEPARTMENT shall adopt rules that require every  
22 funeral establishment that sells prearranged funeral agreements to give a  
23 standardized written or printed price list for retention to each person  
24 who personally inquires about prearranged funeral agreements. On  
25 beginning a discussion regarding prearranged funeral agreements, a  
26 ~~registered prearranged funeral salesperson or a licensed insurance~~  
27 ~~producer who a funeral establishment employs or contracts with to sell~~  
28 ~~prearranged funeral agreements funded by insurance~~ PERSON AFFILIATED WITH  
29 THE FUNERAL ESTABLISHMENT shall present the price list to the consumer.  
30 The list shall be presented in an accurate and readable manner in order to  
31 facilitate price comparisons by consumers.

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

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

43           2. If the PREARRANGED FUNERAL agreement is a prearranged funeral  
44 agreement funded by trust, the FUNERAL establishment has been issued a  
45 prearranged funeral sales endorsement to its license ~~and the salesperson~~

1 ~~has been issued a prearranged funeral salesperson registration by the~~  
2 ~~board~~ allowing the FUNERAL establishment ~~and the person~~ to sell  
3 prearranged funeral agreements funded by trust.

4 3. If the PREARRANGED FUNERAL agreement is a payable on death  
5 account, the account is not under the control of the FUNERAL  
6 establishment. A funeral establishment or an agent or employee of a  
7 funeral establishment shall not accept a deposit for a payable on death  
8 account.

9 Sec. 62. Section 32-1391.03, Arizona Revised Statutes, is amended  
10 to read:

11 32-1391.03. Department of insurance and financial  
12 institutions; powers and duties; prearranged  
13 funeral trust accounts

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

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

19 2. The location and status of all monies received.

20 3. The total amount in trust accounts.

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

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

26 B. The department OF INSURANCE AND FINANCIAL INSTITUTIONS shall:

27 1. Conduct examinations on a random basis or in connection with an  
28 investigation pursuant to procedures established by the ~~board~~ DEPARTMENT  
29 OF HEALTH SERVICES.

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

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

36 C. The department OF INSURANCE AND FINANCIAL INSTITUTIONS may  
37 examine and investigate prearranged funeral trust accounts pursuant to  
38 title 6, chapter 1, article 3 and pursuant to the powers of the ~~board~~  
39 DEPARTMENT OF HEALTH SERVICES concerning prearranged funeral sales and  
40 trust accounts.

41 D. If the department OF INSURANCE AND FINANCIAL INSTITUTIONS  
42 determines after ~~investigation~~ INVESTIGATING or ~~examination of~~ EXAMINING a  
43 prearranged funeral trust account that a violation of ~~any provision of~~  
44 this article has occurred, it shall send a written report to the ~~board~~  
45 DEPARTMENT OF HEALTH SERVICES within thirty days ~~of~~ AFTER completion of

1 the investigation or examination that includes an identification of the  
2 violation and any relevant documents.

3 E. The department OF INSURANCE AND FINANCIAL INSTITUTIONS shall  
4 assess each funeral establishment at the rate of not more than \$520 per  
5 day for each examiner employed in the examination of the FUNERAL  
6 establishment's prearranged funeral trust accounts pursuant to the  
7 requirements of this section.

8 Sec. 63. Section 32-1391.04, Arizona Revised Statutes, is amended  
9 to read:

10 32-1391.04. Prearranged funeral trust accounts: books and  
11 records; inspection and examination

12 A. All funeral establishments and financial institutions ~~shall~~, on  
13 request of the department of insurance and financial institutions, SHALL  
14 make their prearranged funeral trust account books and records available  
15 for inspection and examination by the department OF INSURANCE AND  
16 FINANCIAL INSTITUTIONS.

17 B. ~~At~~ EACH financial ~~institutions~~ INSTITUTION with trust funds  
18 deposited pursuant to this article shall at least quarterly send a copy to  
19 the department OF INSURANCE AND FINANCIAL INSTITUTIONS of each  
20 cancellation request or death certificate ~~it~~ THE FINANCIAL INSTITUTION has  
21 received that resulted in a withdrawal of funds from the trust account.

22 C. A financial institution ~~shall have no~~ DOES NOT HAVE A legal duty  
23 to inquire about the disbursement of any trust funds deposited pursuant to  
24 this article if the financial institution has received the properly  
25 executed notifications or certifications required by this article.

26 D. A financial institution or funeral establishment operating  
27 according to the trust provisions established in this article ~~shall~~ IS not  
28 ~~be~~ considered TO BE in the trust business under title 6, chapter 8.

29 Sec. 64. Section 32-1391.09, Arizona Revised Statutes, is amended  
30 to read:

31 32-1391.09. Prearranged funeral agreements funded by trust;  
32 consumer disclosures

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

35 Notice to Purchaser

36 This prearranged funeral agreement is for the future  
37 funeral arrangements of \_\_\_\_\_ (name of beneficiary) \_\_\_\_\_. The  
38 payments you make under this prearranged funeral agreement  
39 will be deposited in trust account number \_\_\_\_\_ at  
40 the (office or branch) of the (name of financial  
41 institution). Written notice will be mailed to you if this  
42 PREARRANGED FUNERAL TRUST account is transferred to another  
43 financial institution. That notice will include the name and  
44 location of the financial institution and the new PREARRANGED  
45 FUNERAL trust account number. The total monies intended to be

1 deposited in this PREARRANGED FUNERAL trust account over the  
 2 term of the agreement is \$\_\_\_\_\_. An initial service  
 3 fee of \$\_\_\_\_\_ has been charged which will be paid to this  
 4 funeral establishment. If this PREARRANGED FUNERAL agreement  
 5 is canceled, any portion of the initial service fee ~~which~~ THAT  
 6 has not been paid under the PREARRANGED FUNERAL agreement is  
 7 no longer due and payable to the FUNERAL establishment. An  
 8 annual service fee of \_\_\_\_\_% of the annual accrued interest  
 9 on the funds in the PREARRANGED FUNERAL trust account will  
 10 also be charged for administrative and accounting expenses.  
 11 If you wish to cancel this agreement, you must give the  
 12 funeral establishment a written request to cancel before the  
 13 trust funds will be refunded. If you cancel this PREARRANGED  
 14 FUNERAL agreement within three business days after signing  
 15 this PREARRANGED FUNERAL agreement, all monies paid, including  
 16 all service fees, will be refunded to you. If remaining trust  
 17 funds exist after performance of this PREARRANGED FUNERAL  
 18 agreement, those funds will be refunded to the estate of the  
 19 beneficiary. The prices of the funeral goods and services you  
 20 have requested will be the prices in effect at the time of the  
 21 future funeral arrangements.

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

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

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

Fixed Price Contract Notice

31 This funeral establishment has agreed to charge you the  
 32 prices listed in this PREARRANGED FUNERAL agreement for the  
 33 funeral goods and services you have selected for the future  
 34 funeral arrangements of (name of beneficiary). However,  
 35 you should note that this PREARRANGED FUNERAL agreement may be  
 36 in effect for many years and that future events may affect our  
 37 ability to honor this PREARRANGED FUNERAL agreement at the  
 38 time of the funeral arrangements. If a funeral item is no  
 39 longer manufactured or available at the time of the funeral  
 40 arrangements, a substantially equivalent item acceptable to  
 41 the person designated on this PREARRANGED FUNERAL agreement  
 42 will be substituted. This PREARRANGED FUNERAL agreement  
 43 should not be considered as insurance. You have agreed that  
 44 the funeral establishment shall receive \_\_\_\_\_% of all  
 45 interest accruing on the trust fund if it performs the future

1 funeral arrangements as required by this PREARRANGED FUNERAL  
2 agreement. If the funeral establishment does not honor this  
3 PREARRANGED FUNERAL agreement, you may have legal remedies  
4 available to enforce this contract at the price you agreed to  
5 pay.

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

7 D. A fixed price prearranged funeral agreement funded by trust  
8 shall specifically itemize the funeral goods and services to be provided  
9 under the PREARRANGED FUNERAL agreement, the current prices to be charged  
10 for the FUNERAL goods and services at the time of the future funeral  
11 arrangements and any burial, cemetery or crematory expenses that are not  
12 covered under the PREARRANGED FUNERAL agreement. If certain funeral goods  
13 to be provided under the PREARRANGED FUNERAL agreement are not  
14 manufactured or supplied at the time of the funeral arrangements, the  
15 funeral establishment shall provide substantially equivalent funeral goods  
16 that are acceptable to the person designated on the PREARRANGED FUNERAL  
17 agreement or the person legally responsible for final disposition of the  
18 beneficiary's remains. If any of these persons are unavailable, the  
19 substitution of funeral goods shall be determined by rules established by  
20 the ~~board~~ DEPARTMENT. A funeral establishment shall not represent or  
21 imply that the agreed to prices are guaranteed, frozen or otherwise an  
22 absolute economic certainty in the future. If a funeral establishment  
23 specifies the prices to be charged pursuant to this subsection, it shall  
24 delete the last sentence of the notice required by subsection A from the  
25 PREARRANGED FUNERAL agreement.

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

29 F. Each funeral establishment shall provide a copy of:

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

32 2. ~~its~~ THE FUNERAL ESTABLISHMENT'S current price list for retention  
33 to each person who inquires about or is solicited regarding a prearranged  
34 funeral agreement.

35 Sec. 65. Section 32-1391.12, Arizona Revised Statutes, is amended  
36 to read:

37 32-1391.12. Prearranged funeral sales endorsement;  
38 requirements; renewal

39 A. A funeral establishment that desires to offer or sell  
40 prearranged funeral agreements funded by trust shall apply to the ~~board~~  
41 DEPARTMENT for an endorsement to its establishment license. The ~~board~~  
42 DEPARTMENT shall issue the endorsement if the funeral establishment  
43 satisfies the following requirements:

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

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

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

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

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

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

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

26 Bond amount requirements established by the ~~board~~ DEPARTMENT shall ~~not~~ be  
27 ~~less than fifteen thousand dollars~~ AT LEAST \$15,000 ~~or~~ BUT NOT more than  
28 ~~fifty thousand dollars~~ \$50,000 for each FUNERAL establishment, ~~except that~~  
29 ~~as each salesperson is registered by the board, the funeral establishment~~  
30 ~~shall increase its bond by an additional five thousand dollars during the~~  
31 ~~employment of that salesperson.~~

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

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

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

38           (c) All prior addresses of the designated funeral director for the  
39 immediately preceding ~~seven-year~~ SEVEN-YEAR period.

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

42           (e) A declaration from the designated funeral director that the  
43 funeral director has not been convicted of any felony or convicted of any  
44 other crime involving dishonesty, fraud, deception, misrepresentation,  
45 embezzlement or breach of fiduciary duty in any state or federal court



1 within the ~~seven year~~ SEVEN-YEAR period immediately preceding the date of  
2 application.

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

8 6. Provides information about existing prearranged funeral  
9 agreements funded by trust of the funeral establishment required by the  
10 ~~board~~ DEPARTMENT.

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

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

20 Sec. 66. Section 32-1391.13, Arizona Revised Statutes, is amended  
21 to read:

22 32-1391.13. Grounds for denial or refusal to renew funeral  
23 establishment sales endorsement or disciplinary  
24 action

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

28 1. The funeral establishment fails to satisfy the requirements of  
29 section 32-1391.12.

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

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

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

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

40 6. The FUNERAL establishment, ~~OR its designated funeral director~~  
41 ~~or any registered salesperson it employs or engages~~ violates any provision  
42 of title 44, chapter 10, article 7.

43 Sec. 67. Repeal

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

1           Sec. 68. Section 32-1391.16, Arizona Revised Statutes, is amended  
2 to read:

3           32-1391.16. Prearranged funeral sales and trust account  
4                                   activities; funeral establishments; annual  
5                                   report

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

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

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

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

19           2. The total contract amount for each purchaser listed in paragraph  
20 1 of this subsection, the total AMOUNT OF monies previously paid on each  
21 contract and the AMOUNT OF monies paid by and refunded to the purchaser on  
22 each contract during the preceding calendar year.

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

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

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

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

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

39           8. Other information required by the ~~board~~ DEPARTMENT.

40          D. Each funeral establishment that does not offer or sell  
41 prearranged funerals funded by trust or hold a prearranged funeral sales  
42 endorsement shall file with the ~~board~~ DEPARTMENT the annual report  
43 described in subsection C of this section concerning all prearranged  
44 funeral trust accounts established before January 1, 1985 and in existence  
45 during the preceding calendar year on or before May 1. For the purposes

1 of this subsection, "prearranged funeral trust account" includes all  
2 prearranged funeral trust accounts or funds established pursuant to laws  
3 in existence before January 1, 1985.

4 E. The ~~board~~ DEPARTMENT OF HEALTH SERVICES shall provide the  
5 department of insurance and financial institutions with a copy of each  
6 annual report filed pursuant to this section.

7 Sec. 69. Section 32-1393, Arizona Revised Statutes, is amended to  
8 read:

9 32-1393. Crematories; license required; employee training

10 A. A person shall not advertise or operate a crematory, unless the  
11 person has received a certificate of authority from the state real estate  
12 department, without first obtaining a crematory license issued by the  
13 ~~board~~ DEPARTMENT OF HEALTH SERVICES.

14 B. A licensed crematory and its employees shall follow all  
15 applicable provisions of this article and rules adopted pursuant to this  
16 article. A licensed crematory shall provide appropriate training for its  
17 employees and is strictly accountable for compliance by both its licensed  
18 and unlicensed employees with ~~the provisions of~~ this article and all  
19 applicable federal, state and local rules and regulations regarding  
20 occupational and workplace health and safety.

21 Sec. 70. Section 32-1394, Arizona Revised Statutes, is amended to  
22 read:

23 32-1394. Crematory requirements; responsible cremationist

24 A crematory licensed pursuant to this article shall:

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

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

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

37 4. Employ and designate a responsible cremationist who is licensed  
38 pursuant to this article and who is trained in crematory operations to  
39 manage the daily operation of the crematory. The responsible cremationist  
40 is responsible for the crematory complying with the laws of this state and  
41 the rules of the ~~board~~ DEPARTMENT OF HEALTH SERVICES or the rules of the  
42 ~~department of~~ STATE real estate DEPARTMENT, as applicable. The crematory  
43 or the responsible cremationist shall designate a licensed cremationist to  
44 act as an interim responsible cremationist.



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

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

10          D. If the ~~board~~ DEPARTMENT finds that the applicant meets the  
11 criteria for licensure under this article and rules adopted by the ~~board~~  
12 DEPARTMENT, the ~~board~~ DEPARTMENT shall issue a crematory license.

13          Sec. 73. Section 32-1397, Arizona Revised Statutes, is amended to  
14 read:

15           32-1397. Nontransferability of crematory licenses; change of  
16 ownership; interim permit; definition

17          A. A crematory license issued by the ~~board~~ DEPARTMENT is not  
18 transferable or subject to sale or assignment, whether by A voluntary or  
19 involuntary process.

20          B. ~~When~~ IF a change of ownership of a crematory occurs, the  
21 licensee shall notify the ~~board~~ DEPARTMENT in writing and shall surrender  
22 the license to the ~~board~~ DEPARTMENT within twenty days after the change of  
23 ownership. The new owner shall also notify the ~~board~~ DEPARTMENT in  
24 writing within twenty days after the change of ownership and shall submit  
25 an application for a crematory license to the ~~board~~ DEPARTMENT pursuant to  
26 section 32-1395.

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

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

36           2. The crematory continues to meet the requirements of section  
37 32-1394.

38          D. An interim permit issued by the ~~board~~ DEPARTMENT pursuant to  
39 this section shall be for not more than forty-five days and shall not be  
40 extended except as provided in subsection E of this section. An interim  
41 permit is a conditional permit and authorizes the holder to operate a  
42 crematory as would be ~~permitted~~ ALLOWED under a crematory license issued  
43 pursuant to this article. The holder of an interim permit is subject to  
44 the licensing rules and disciplinary proceedings prescribed in this  
45 chapter and in rules adopted pursuant to this chapter.

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

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

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

12 Sec. 74. Section 32-1397.01, Arizona Revised Statutes, is amended  
13 to read:

14 32-1397.01. Crematories; change of name

15 The owner of a ~~licensed~~ crematory who desires to change the name of  
16 the crematory shall submit an application on a form prescribed by the  
17 ~~board~~ DEPARTMENT. The application shall be subscribed under oath and  
18 shall be accompanied by the applicable fee.

19 Sec. 75. Section 32-1397.02, Arizona Revised Statutes, is amended  
20 to read:

21 32-1397.02. Crematories; change of location

22 The owner of a ~~licensed~~ crematory shall submit an application on a  
23 form prescribed by the ~~board~~ DEPARTMENT to change the location of the  
24 crematory. The application shall be subscribed under oath and shall be  
25 accompanied by the applicable fee. Before the ~~board~~ DEPARTMENT approves a  
26 request for a change of location pursuant to this section, the owner shall  
27 demonstrate that the new location meets the requirements of section  
28 32-1394.

29 Sec. 76. Section 32-1398, Arizona Revised Statutes, is amended to  
30 read:

31 32-1398. Crematories; prohibited acts; disciplinary actions

32 A. The ~~board~~ DEPARTMENT may take disciplinary action against a  
33 crematory or an agent or employee of a crematory for any of the following  
34 acts:

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

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

41 3. Cremating or causing the cremation of a dead human body before  
42 obtaining certification from the county medical examiner or person  
43 performing the duties of the county medical examiner pursuant to section  
44 11-599 and, if the deceased person did not execute a document authorizing  
45 the deceased person's cremation pursuant to section 32-1365.01, before

1 obtaining express written consent to cremate the body from the authorizing  
2 agent pursuant to section 32-1365.02.

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

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

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

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

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

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

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

29 B. The acts OR OMISSIONS of an agent or employee of a crematory  
30 that violate this chapter or rules adopted pursuant to this chapter ~~shall~~  
31 ~~be~~ ARE deemed to be acts OR OMISSIONS of the crematory.

32 Sec. 77. Section 32-1399, Arizona Revised Statutes, is amended to  
33 read:

34 32-1399. Crematories; rules; standards of practice

35 The ~~board~~ DEPARTMENT shall adopt rules that establish standards  
36 equivalent to section 32-1307, subsection A, paragraph ~~5~~ 4 for regulating  
37 crematories and cremation and that include the following:

38 1. A crematory shall develop, implement and maintain a written  
39 procedure for ~~the identification of~~ IDENTIFYING human remains that ensures  
40 that remains can be identified from the time that a crematory accepts the  
41 delivery of the remains until the cremated remains are released to the  
42 authorizing agent. The identification procedures shall require the  
43 crematory to comply with the requirements of this section. The crematory  
44 shall not open a container containing human remains, except under the  
45 personal supervision of a licensed funeral director or embalmer or a

1 responsible cremationist licensed pursuant to this article and trained in  
2 crematory operations to manage the daily operation of the crematory.  
3 After taking custody of human remains, a crematory shall immediately  
4 verify the identification attached to the casket or cremation container  
5 and assign an identification number. The crematory shall not accept  
6 unidentified caskets or cremation containers. The identification shall  
7 include the name and address of the deceased, the name and relationship of  
8 the authorizing agent, the name of the person or entity engaging the  
9 crematory services, a valid cremation permit issued by a government agency  
10 and a metal cremation disk containing the identification number. The disk  
11 shall be placed with the deceased during cremation.

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

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

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

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

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

44 7. A crematory may dispose of cremated or processed remains in any  
45 legal manner directed by a document prepared pursuant to section



1 32-1365.01 or agreed to by the authorizing agent. If the authorizing  
2 agent agrees to take possession and does not take possession of the  
3 remains within thirty days after cremation or on an agreed date, the  
4 crematory shall send written notice to the last known address of the  
5 authorizing agent to take possession. Ninety days after the notification  
6 is sent or delivered, the crematory may dispose of the cremated or  
7 processed remains in any legal manner.

8 8. Unless the deceased has prepared a document pursuant to section  
9 32-1365.01, the crematory shall obtain an authorization to cremate from  
10 the authorizing agent that shall contain a provision holding the crematory  
11 harmless for the disposition of unclaimed cremated or processed remains.

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

16 10. Unless the deceased has prepared a document pursuant to section  
17 32-1365.01, employees of the crematory shall not remove a dead human body  
18 from the container in which it is delivered to the crematory without the  
19 express written consent of the authorizing agent. If, after accepting a  
20 dead human body for cremation, employees of a crematory discover that a  
21 mechanical or radioactive device is implanted in the body, an embalmer  
22 licensed pursuant to article 2 of this chapter shall remove the device  
23 from the body before cremation takes place.

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

27 Sec. 78. Section 32-2194.03, Arizona Revised Statutes, is amended  
28 to read:

29 32-2194.03. Issuance or denial of certificate of authority;  
30 voidable sale; order prohibiting sale;  
31 investigations by commissioner; public  
32 hearings; summary orders

33 A. After examination of a cemetery application, the commissioner,  
34 unless there are grounds for denial, shall issue a certificate of  
35 authority authorizing the sale in this state of cemetery plots within the  
36 cemetery. The commissioner shall notify the ~~state board of funeral~~  
37 ~~directors and embalmers~~ DEPARTMENT OF HEALTH SERVICES when the  
38 commissioner issues a certificate of authority pursuant to this section.

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

41 1. ~~Failure~~ THE APPLICANT FAILS to comply with ~~any of the provisions~~  
42 ~~of~~ this article or the rules of the commissioner pertaining to this  
43 article.

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

- 1           3. The applicant has procured or attempted to procure a certificate  
2 of authority under ~~the provisions of~~ this chapter for itself or another by  
3 fraud, misrepresentation or deceit or by filing an original or renewal  
4 application which is false or misleading.
- 5           4. ~~Inability~~ THE APPLICANT IS UNABLE to deliver title or other  
6 interest contracted for.
- 7           5. ~~Inability~~ THE APPLICANT IS UNABLE to demonstrate that adequate  
8 financial or other arrangements acceptable to the commissioner have been  
9 made for installation of all off-site and other cemetery facilities.
- 10          6. ~~Failure~~ THE APPLICANT FAILS to ~~make a showing~~ SHOW that the  
11 plots can be used for the purpose for which they are offered.
- 12          7. ~~Failure~~ THE APPLICANT FAILS to provide in the contract or other  
13 writing the use or uses for which the plots are offered, together with any  
14 covenants or conditions relative to such plots.
- 15          8. ~~Failure~~ THE APPLICANT FAILS to include in the contract the  
16 disclosure provisions required as provided by section 32-2194.04.
- 17          9. The owner, THE agent, AN officer, A director or partner, A trust  
18 beneficiary holding ten ~~per cent~~ PERCENT or more beneficial interest or,  
19 if a corporation, any stockholder owning ten ~~per cent~~ PERCENT or more of  
20 the stock in such corporation has:
- 21           (a) Been convicted of a felony or misdemeanor involving fraud or  
22 dishonesty or involving conduct of any business or a transaction in real  
23 estate, cemetery property, ~~time-share~~ TIMESHARE intervals or membership  
24 camping campgrounds or contracts.
- 25           (b) Been permanently or temporarily enjoined by order, judgment or  
26 decree from engaging in or continuing any conduct or practice in  
27 connection with the sale or purchase of real estate or cemetery property,  
28 ~~time-share~~ TIMESHARE intervals, membership camping contracts or  
29 campgrounds, or securities or involving consumer fraud or the racketeering  
30 laws of this state.
- 31           (c) Had an administrative order entered against the applicant by a  
32 real estate regulatory agency or security regulatory agency.
- 33           (d) Had an adverse decision or judgment entered against the  
34 applicant involving fraud or dishonesty or involving the conduct of any  
35 business in or a transaction in real estate, cemetery property, ~~time-share~~  
36 TIMESHARE intervals or membership camping campgrounds or contracts.
- 37           (e) Disregarded or violated any of the provisions of this chapter  
38 or the rules of the commissioner pertaining to this chapter.
- 39           (f) Participated in, operated or held an interest in any entity to  
40 which subdivision (b), (c), (d) or (e) OF THIS PARAGRAPH applies.
- 41          10. ~~Failure~~ THE APPLICANT FAILS to satisfy the commissioner that  
42 sufficient land has been dedicated for the operation of the cemetery to  
43 make it financially secure with respect to the trust fund requirements of  
44 this article.

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

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

19 E. On the commissioner's own motion or if the commissioner has  
20 received a complaint and has satisfactory evidence that the cemetery owner  
21 or agent is violating any provision of this article or the rules of the  
22 commissioner or has engaged in any unlawful practice as defined in section  
23 44-1522 with respect to the sale of cemetery plots or deviated from the  
24 conditions under which the certificate of authority was issued, the  
25 commissioner may investigate the cemetery project and examine the books  
26 and records of the cemetery owner or agent. For the purpose of  
27 examination, the cemetery owner or agent shall keep and maintain records  
28 of all sales transactions and monies the cemetery owner or agent received  
29 at the broker's main office or at an off-site storage location in this  
30 state if the owner or agent provides prior written notification of the  
31 street address of the off-site storage location to the department. The  
32 cemetery owner or agent shall make the records accessible to the  
33 commissioner on reasonable notice and demand.

34 F. ~~The commissioner~~ On the commissioner's own motion or if the  
35 commissioner has received a complaint and has satisfactory evidence that  
36 any of the grounds exist as provided in subsection B of this section or  
37 that any person has engaged in any unlawful practice as defined in section  
38 44-1522 with respect to the sale of cemetery plots or has deviated from  
39 the conditions under which the certificate of authority was issued, before  
40 or after the commissioner issues the certificate of authority as provided  
41 in this section, THE COMMISSIONER may conduct an investigation of such  
42 matter, issue a summary order as provided in section 32-2157, or hold a  
43 public hearing and, after the hearing, may issue such order or orders as  
44 the commissioner deems necessary to protect the public interest and ensure  
45 compliance with the law, rules or certificate of authority, or the

1 commissioner may bring an action in any court of competent jurisdiction  
2 against the person to enjoin the person from continuing such A violation  
3 or engaging in a violation or doing any act or acts in furtherance of a  
4 violation. The court may make such orders or judgments, including the  
5 appointment of a receiver, ~~as~~ THAT may be necessary to prevent the use or  
6 employment by a person of any unlawful practices or ~~which~~ THAT may be  
7 necessary to restore to any person in interest any monies or property,  
8 real or personal, ~~which~~ THAT may have been acquired by means of any  
9 practice declared to be unlawful in this article.

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

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

26 I. If the court appoints a receiver without notice, the court shall  
27 further direct that a copy of the order appointing a receiver be served on  
28 the person engaged in or engaging in a practice declared to be unlawful  
29 under this article by delivering ~~such~~ THE order to the last address of the  
30 person ~~which~~ THAT is on file with the STATE real estate department. The  
31 order shall inform the person that ~~he~~ THE PERSON has the right to request  
32 a hearing within ten days after the date of the order, and if requested,  
33 the hearing shall be held within thirty days after the date of the order.

34 Sec. 79. Section 36-414, Arizona Revised Statutes, is amended to  
35 read:

36 36-414. Health services licensing fund; exemption

37 A. The health services licensing fund is established consisting of  
38 monies deposited pursuant to sections 30-654, 32-1308, 32-2805, 36-405,  
39 36-851.01, 36-882, 36-897.01 and 36-1903. The department of health  
40 services shall administer the fund.

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

42 C. Monies in the fund are exempt from the provisions of section  
43 35-190 relating to lapsing of appropriations.

1           Sec. 80. Section 41-1092, Arizona Revised Statutes, is amended to  
2 read:

3           41-1092. Definitions

4           In this article, unless the context otherwise requires:

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

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

13          3. "Adversely affected party" means:

14           (a) An individual who both:

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

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

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

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

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

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

1 7. "Licensee":

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

5 (b) Includes any individual or business entity that has applied for  
6 such a license and that appeals a licensing decision pursuant to section  
7 41-1092.08 or 41-1092.12.

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

9 9. "Self-supporting regulatory board" means any ~~one~~ of the  
10 following:

11 (a) The Arizona state board of accountancy.

12 (b) The barbering and cosmetology board.

13 (c) The board of behavioral health examiners.

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

15 (e) The state board of chiropractic examiners.

16 (f) The state board of dental examiners.

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

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

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

21 ~~(j)~~ (i) The Arizona medical board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 ~~(dd)~~ (cc) The board of massage therapy.

44 Sec. 81. Repeal

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



1 section 36-414, Arizona Revised Statutes, as amended by this act, to  
2 assist in the transference of authority, powers, duties and  
3 responsibilities from the state board of funeral directors and embalmers  
4 to the department of health services.

5 Sec. 85. Retroactivity

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

7 Sec. 86. Emergency

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

APPROVED BY THE GOVERNOR JUNE 20, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 20, 2023.