

funeral services; alkaline hydrolysis

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2140

AN ACT

AMENDING SECTIONS 32-1301, 32-1302, 32-1307, 32-1309, 32-1310, 32-1321 AND 32-1324, ARIZONA REVISED STATUTES; REPEALING SECTION 32-1331, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-1334, 32-1338, 32-1342, 32-1343, 32-1344, 32-1361, 32-1365.01, 32-1365.02, 32-1366 AND 32-1367, ARIZONA REVISED STATUTES; REPEALING SECTION 32-1368, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-1374 AND 32-1382, ARIZONA REVISED STATUTES; REPEALING SECTION 32-1386, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-1388, 32-1390.01, 32-1390.02, 32-1391.12, 32-1391.13 AND 32-1391.16, ARIZONA REVISED STATUTES; REPEALING SECTIONS 32-1394.02 AND 32-1396, ARIZONA REVISED STATUTES; AMENDING SECTION 32-1397, ARIZONA REVISED STATUTES; 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 32-1301, Arizona Revised Statutes, is amended to
3 read:

4 32-1301. Definitions

5 In this chapter, unless the context otherwise requires:

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

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

11 ~~3.~~ 2. "Alkaline hydrolysis" means a form of final disposition that
12 includes all of the following:

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

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

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

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

21 ~~4.~~ 3. "Alkaline hydrolysis container":

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

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

28 ~~5.~~ 4. "Alkaline hydrolysis facility" means a building or structure
29 containing one or more alkaline hydrolysis vessels for alkaline
30 hydrolysis.

31 ~~6.~~ 5. "Alkaline hydrolysis operator" means a person who is trained
32 to carry out the process of alkaline hydrolysis.

33 ~~7.~~ 6. "Alkaline hydrolysis vessel" means the container in which
34 alkaline hydrolysis is performed.

35 ~~8.~~ 7. "Alternative container" means any unfinished wood box or
36 other nonmetal receptacle or enclosure, without ornamentation or a fixed
37 interior lining, that is designed for encasing human remains.

38 ~~9.~~ 8. "Authorizing agent" means a person who is legally entitled
39 to order the cremation, disinterment, **ALKALINE HYDROLYSIS** or embalming of
40 human remains pursuant to section 32-1365.02.

41 ~~10.~~ 9. "Beneficiary" means a person whose future funeral
42 arrangements will be handled by a funeral establishment pursuant to a
43 prearranged funeral agreement.

44 ~~11.~~ 10. "Business entity" includes any corporation, association,
45 limited liability company, professional corporation, partnership, limited

1 partnership, sole proprietorship, business trust, trust, joint venture and
2 other business entity.

3 ~~12.~~ 11. "Casket" means a rigid container that is designed to
4 permanently encase human remains and that is usually constructed of wood,
5 metal or synthetic substances and ornamented and lined with fabric.

6 ~~13.~~ 12. "Change of ownership" means a transfer of a controlling
7 legal or equitable interest in a licensed funeral establishment or
8 crematory resulting from a sale or merger. If the establishment or
9 crematory is operated by a business entity, any transfer of the ownership
10 of ten percent or more of the entity constitutes a change of ownership.

11 ~~14.~~ 13. "Conviction" means a criminal adjudication or conviction
12 by any state or federal court of competent jurisdiction, including a
13 judgment based on a no contest plea, without regard to whether civil
14 rights have been restored.

15 ~~15.~~ 14. "Cremated remains" means the remaining bone fragments
16 after cremation.

17 ~~16.~~ 15. "Cremation" means the heating process that reduces human
18 remains to bone fragments by combustion and evaporation.

19 ~~17.~~ 16. "Cremation container" means a leak and spill resistant,
20 rigid, combustible, closed receptacle into which human remains are placed
21 before cremation.

22 ~~18.~~ 17. "Cremationist" means a person who operates a crematory
23 retort, who performs the actual cremation of human remains and who may be
24 licensed pursuant to article 6 of this chapter.

25 ~~19.~~ 18. "Crematory" means a building or portion of a building that
26 is licensed pursuant to article 6 of this chapter and that houses a retort
27 in which only human remains are cremated.

28 ~~20.~~ 19. "Department" means the department of health services.

29 ~~21.~~ 20. "Director" means the director of the department.

30 ~~22.~~ 21. "Disciplinary action" means an action taken to revoke or
31 suspend a license, to impose probationary requirements or civil penalties
32 or to issue a letter of censure or reprimand to any person who is subject
33 to this chapter and who violates any provision of this chapter or rules.

34 ~~23.~~ 22. "Embalmer" means a person who is licensed pursuant to this
35 chapter and who is engaged in embalming.

36 ~~24.~~ 23. "Embalming" means the implementation of reconstructive
37 procedures and the process of disinfecting and preserving a dead human
38 body to retard organic decomposition by treating the body to reduce the
39 presence and growth of organisms.

40 ~~25.~~ 24. "Financial institution" means a bank, savings and loan
41 association, trust company or credit union that is lawfully doing business
42 in this state and that is not affiliated with a funeral establishment.

43 ~~26.~~ 25. "Fixed price prearranged funeral agreement funded by
44 trust" means any agreement or combination of agreements that establishes a
45 fixed price for funeral goods and services, that requires a funeral

1 establishment to provide those funeral goods and services at the price
2 levels in effect at the time of the execution of the agreement and that
3 requires the purchaser to convey all or a portion of the accrued interest
4 to the funeral establishment at the time that the funeral goods and
5 services are actually provided.

6 ~~27.~~ 26. "Funded by insurance" means that monies for a prearranged
7 funeral agreement are paid directly to an insurance company licensed
8 pursuant to title 20 on behalf of the beneficiary of the agreement.

9 ~~28.~~ 27. "Funeral directing" means arranging, directing or
10 providing a service in the disposition of dead human bodies for
11 compensation.

12 ~~29.~~ 28. "Funeral director" means a person who is licensed pursuant
13 to this chapter and who is engaged in funeral directing.

14 ~~30.~~ 29. "Funeral establishment" means a business at a specific
15 location that is licensed pursuant to this chapter and that is devoted to
16 the care, storage or preparation for final disposition or transportation
17 of dead human bodies.

18 ~~31.~~ 30. "Funeral goods and services":

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

25 (b) Does not include:

26 (i) Goods and services sold by cemeteries.

27 (ii) Services provided pursuant to a transportation protection
28 agreement.

29 ~~32.~~ 31. "Holding facility" means a designated area for retaining
30 human remains.

31 ~~33.~~ 32. "Human remains" means a lifeless human body or parts of a
32 human body that allow a reasonable inference that death occurred.

33 ~~34.~~ 33. "License" means a written authorization that is issued by
34 the department and that entitles a person to act as a funeral director,
35 CREMATIONIST, ALKALINE HYDROLYSIS OPERATOR or embalmer or to operate a
36 funeral establishment, crematory or alkaline hydrolysis facility in this
37 state.

38 ~~35.~~ 34. "Licensee" means a person to whom the department has
39 issued a license under this chapter.

40 ~~36.~~ 35. "Manage" means:

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

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

3 ~~37.~~ 36. "National board examination" means the test or tests given
4 by the international conference of funeral service examining boards to
5 determine the entry level knowledge and skills of a person regarding
6 funeral directing and embalming.

7 ~~38.~~ 37. "Net interest" means interest earned on a prearranged
8 funeral trust account minus applicable taxes, reasonable and necessary
9 charges made by the financial institution and the annual service fee
10 allowed to be deducted by the funeral establishment according to section
11 32-1391.06, subsection B.

12 ~~39.~~ 38. "Outer burial container" means a container that is
13 designed for placement in a grave around a casket, including burial
14 vaults, grave boxes and grave liners.

15 ~~40.~~ 39. "Owner":

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

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

22 ~~41.~~ 40. "Person legally responsible" means the person responsible
23 for burying a dead body as determined in section 36-831.

24 ~~42.~~ 41. "Prearranged funeral agreement" means any agreement or
25 combination of agreements under which a payment is made before the death
26 of the intended beneficiary for funeral goods and services to be delivered
27 or performed after the death of the beneficiary.

28 ~~43.~~ 42. "Prearranged funeral trust account" means a trust account
29 that is established at a financial institution and into which all monies
30 paid on behalf of a beneficiary pursuant to a prearranged funeral
31 agreement are deposited.

32 ~~44.~~ 43. "Preparation" means washing, shaving, dressing or
33 arranging hair on, applying cosmetics to or positioning bodily features on
34 a dead human body and placing the dead human body in a casket.

35 ~~45.~~ 44. "Processed cremated remains" means cremated remains after
36 they are pulverized and cleaned, leaving primarily small bone fragments.

37 ~~46.~~ 45. "Provisionally accredited" means being granted candidacy
38 status by the American board of funeral service education.

39 ~~47.~~ 46. "Responsible cremationist" means a licensed cremationist
40 who manages a crematory.

41 ~~48.~~ 47. "Responsible funeral director" means a person who is
42 licensed pursuant to this chapter, who is engaged in funeral directing and
43 who manages and is accountable for a funeral establishment.

44 ~~49.~~ 48. "Retort" means an enclosed space within which cremation
45 takes place.

1 ~~50.~~ 49. "Supervise" or "supervision" means that a licensed
2 embalmer has responsibility for and is within sight and sound of a person
3 who is embalming a dead human body or assisting in embalming a dead human
4 body.

5 ~~51.~~ 50. "Temporary container" means a receptacle that is usually
6 made of cardboard, rigid plastic or another similar material and that is
7 designed to hold processed cremated remains until they are placed in an
8 urn or another permanent container.

9 ~~52.~~ 51. "Transportation protection agreement" means an agreement
10 that primarily provides or arranges for services that are related to
11 preparing human remains or cremated remains for the purpose of
12 transportation and such subsequent transportation.

13 ~~53.~~ 52. "Trust funds" means all monies that are deposited on
14 behalf of a beneficiary of a prearranged funeral agreement funded by trust
15 and all accrued net interest. Trust funds shall be considered an account
16 kept in suspense until distributed to the beneficiary, the funeral
17 establishment or the estate of the beneficiary in accordance with this
18 article.

19 ~~54.~~ 53. "Universal precautions" means the universal blood and
20 fluid precautions recommended by the centers for disease control of the
21 United States public health service to prevent the transmission of
22 bloodborne and bodily fluid-borne infectious diseases.

23 ~~55.~~ 54. "Unprofessional conduct" includes the following acts,
24 whether occurring in this state or elsewhere:

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

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

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

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

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

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

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

3 (h) Certifying falsely to having embalmed or prepared a dead human
4 body that was embalmed by another person.

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

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

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

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

17 (m) Within a period of five years, having a license, REGISTRATION
18 or endorsement suspended or revoked by the department or by the funeral
19 services regulating authority of this state or any other jurisdiction or
20 surrendering a license, REGISTRATION or endorsement in lieu of
21 disciplinary action.

22 ~~56.~~ 55. "Urn" means a receptacle into which processed cremated
23 remains are placed for disposition.

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

26 32-1302. Advisory committee; members; appointment; terms;
27 compensation; meetings; duties

28 A. An advisory committee is established to collaborate with and
29 ~~assist~~ ADVISE the director ~~in performing the duties prescribed in this~~
30 ~~chapter~~ ABOUT MATTERS RELATING TO THE REGULATION OF THE FUNERAL SERVICES
31 INDUSTRY. The advisory committee consists of seven members who are
32 appointed by the ~~governor pursuant to section 38-211. Advisory committee~~
33 ~~members serve at the pleasure of the governor for staggered terms of four~~
34 ~~years beginning and ending on January 1 unless removed by the governor.~~
35 ~~The governor shall appoint a member for the unexpired portion of a term to~~
36 ~~fill a vacancy occurring during a term of office~~ DIRECTOR. The advisory
37 committee shall include:

38 1. Two members who are funeral directors licensed under this
39 chapter.

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

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

42 4. Three public members who are residents of this state, one of
43 whom is an owner or manager of a business that has no pecuniary or
44 proprietary interest in a funeral establishment or crematory or in the
45 sale of funeral goods and services. The public members shall not be

1 licensed under this chapter currently or have been licensed under this
2 chapter in the five years preceding appointment.

3 B. Members of the advisory committee shall not receive compensation
4 but shall be reimbursed for subsistence expenses pursuant to section
5 38-624 and travel expenses pursuant to section 38-623.

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

8 D. The advisory committee shall hold meetings:

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

11 2. At the director's request.

12 E. The advisory committee shall:

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

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

17 ~~F. The advisory committee shall annually present to the governor an
18 evaluation of the performance of the director and the department relating
19 to enforcing and administering this chapter.~~

20 Sec. 3. Section 32-1307, Arizona Revised Statutes, is amended to
21 read:

22 32-1307. Powers and duties of department

23 A. The department shall:

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

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

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

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

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

33 (b) Standards of practice, professional conduct, competence and
34 consumer disclosure relating to owning or operating a funeral
35 establishment, **ALKALINE HYDROLYSIS FACILITY** or crematory, funeral
36 directing, embalming, **ALKALINE HYDROLYSIS** and cremation.

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

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

- 1 (e) Guidelines to enable members of the public to determine the
2 substantial equivalency of funeral goods available for sale to the public.
- 3 (f) Administrative and investigative procedures.
- 4 (g) The efficient administration of the department's affairs and
5 the enforcement of this chapter.
- 6 (h) The inspection of all funeral establishments, crematories and
7 alkaline hydrolysis facilities at least once every ~~five~~ TWO years.
- 8 (i) Any other matters the department deems necessary to carry out
9 this chapter.
- 10 B. The department may:
- 11 1. Subject to title 41, chapter 4, article 4, employ investigative,
12 professional and clerical employees as it deems necessary to carry out
13 this chapter. Compensation of these employees shall be determined
14 pursuant to section 38-611.
- 15 2. In connection with investigations or administrative hearings,
16 issue subpoenas to compel the attendance of witnesses and the production
17 of books, papers, contracts, agreements and other documents or records in
18 any form, administer oaths and take testimony and evidence concerning all
19 matters within its jurisdiction. The department may pay the fees and
20 expenses of witnesses who appear in any proceeding before the department.
21 If a person refuses to obey a subpoena issued by the department, the
22 department may invoke the aid of any court in this state to require the
23 attendance and testimony of witnesses and the production of documentary
24 evidence.
- 25 3. Contract with other state and federal agencies as it deems
26 necessary to carry out this chapter.
- 27 4. Charge reasonable fees to distribute materials that the
28 department prints or has printed at its expense and for the costs of
29 mailing these materials.
- 30 5. Charge the reasonable costs of a fingerprint background check to
31 an applicant for licensure.
- 32 Sec. 4. Section 32-1309, Arizona Revised Statutes, is amended to
33 read:
- 34 32-1309. Fees
- 35 A. The department shall establish and collect application fees in
36 an amount to be determined by the department for each of the following:
- 37 1. A funeral director license.
- 38 2. An embalmer license.
- 39 3. A funeral director or embalmer license for a person who does not
40 reside in this state.
- 41 4. A funeral establishment license:
- 42 (a) For a new establishment, new owner or new location.
- 43 (b) For a change of name.
- 44 5. A crematory license:
- 45 (a) For a new crematory, new owner or new location.

- 1 (b) For a change of name.
2 6. A cremationist license.
3 7. An alkaline hydrolysis facility license:
4 (a) For a new alkaline hydrolysis facility.
5 (b) For a change of name or location.
6 8. An alkaline hydrolysis operator license.
7 9. An interim alkaline hydrolysis facility permit.
8 10. An extension of an interim alkaline hydrolysis facility permit.
9 11. A PREARRANGED FUNERAL SALES ESTABLISHMENT ENDORSEMENT.
10 12. A MULTIPLE FUNERAL DIRECTOR LICENSE.
11 B. The department shall establish and collect license issuance fees
12 in an amount to be determined by the department for each of the following:
13 1. A funeral director license.
14 2. An embalmer license.
15 3. A cremationist license.
16 4. An alkaline hydrolysis facility license.
17 5. An alkaline hydrolysis operator license.
18 6. A MULTIPLE FUNERAL DIRECTOR LICENSE.
19 ~~C. The department shall establish and collect renewal fees in an~~
20 ~~amount to be determined by the department for each of the following:~~
21 ~~1. A funeral director license.~~
22 ~~2. An embalmer license.~~
23 ~~3. An establishment license for each disposition performed by the~~
24 ~~establishment during the immediately preceding calendar year. For the~~
25 ~~purposes of this paragraph, a funeral establishment performs a disposition~~
26 ~~each time the establishment files a death certificate pursuant to section~~
27 ~~36-325.~~
28 ~~4. A crematory license, per retort.~~
29 ~~5. A cremationist license.~~
30 ~~6. An alkaline hydrolysis facility license.~~
31 ~~7. An alkaline hydrolysis operator license.~~
32 C. A LICENSE, REGISTRATION OR ENDORSEMENT ISSUED PURSUANT TO THIS
33 CHAPTER DOES NOT EXPIRE AND REMAINS VALID UNLESS:
34 1. THE DEPARTMENT SUBSEQUENTLY REVOKES OR SUSPENDS THE LICENSE,
35 REGISTRATION OR ENDORSEMENT.
36 2. EXCEPT AS PROVIDED IN SECTION 32-4301, THE LICENSE, REGISTRATION
37 OR ENDORSEMENT IS CONSIDERED VOID BECAUSE THE LICENSEE DID NOT PAY THE
38 LICENSING, REGISTRATION OR ENDORSEMENT FEE, OUTSTANDING CIVIL PENALTIES OR
39 PROVIDER AGREEMENT FEES OR DID NOT ENTER INTO AN AGREEMENT WITH THE
40 DEPARTMENT TO PAY ALL OUTSTANDING FEES OR PENALTIES BEFORE THE DUE DATE OF
41 THE LICENSING, REGISTRATION OR ENFORCEMENT FEES OR CIVIL PENALTIES.
42 D. The department shall establish and collect fees in an amount to
43 be determined by the department for each of the following:
44 1. A duplicate license.
45 2. A reexamination for a state laws and rules examination.

1 B. This article does not prohibit:

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

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

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

10 D. A licensee shall conspicuously display the person's license at
11 the person's place of employment.

12 Sec. 7. Section 32-1324, Arizona Revised Statutes, is amended to
13 read:

14 32-1324. Multiple funeral director license; display;
15 nontransferrability

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

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

25 C. A funeral director who holds a multiple funeral director license
26 shall display the license at the funeral establishment to which the
27 license is issued. ~~Unless otherwise stated in this article, a multiple~~
28 ~~funeral director license is renewable at the same time as the funeral~~
29 ~~establishment license.~~ A multiple funeral director license is not
30 transferable without prior approval of the department.

31 Sec. 8. Repeal

32 Section 32-1331, Arizona Revised Statutes, is repealed.

33 Sec. 9. Section 32-1334, Arizona Revised Statutes, is amended to
34 read:

35 32-1334. Inactive status

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

1 B. A person who holds an inactive license shall not practice:
2 1. Embalming, funeral directing or cremation in this state.
3 2. Alkaline hydrolysis in this state unless there is another
4 individual at the alkaline hydrolysis facility who operates or supervises
5 the alkaline hydrolysis facility and who is licensed pursuant to this
6 chapter.

7 C. A person who holds an inactive license may request that the
8 department reactivate the person's license. If an inactive licensee
9 desires to reactivate a license, the inactive licensee shall submit a
10 completed application on a form prescribed by the department, the
11 applicable fee pursuant to section 32-1309, **AN ATTESTATION THAT THE PERSON**
12 **HAS COMPLETED THE REQUIRED CONTINUING EDUCATION UNITS**, a completed
13 fingerprint card and the prescribed fingerprint background check fee. ~~The~~
14 ~~person shall pass the applicable state laws and rules examination.~~

15 Sec. 10. Section 32-1338, Arizona Revised Statutes, is amended to
16 read:

17 **32-1338. Continuing education requirements; waiver**

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

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

29 Sec. 11. Section 32-1342, Arizona Revised Statutes, is amended to
30 read:

31 **32-1342. Alkaline hydrolysis facilities; requirements**

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

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

38 2. Use a method that is approved by the department to dry the
39 hydrolyzed remains and that occurs within the licensed facility.

40 ~~3. Have a means approved by the department for refrigerating dead~~
41 ~~human bodies awaiting alkaline hydrolysis.~~

42 ~~4.~~ 3. Have an appropriate refrigerated holding facility **OR ANOTHER**
43 **MEANS** for **REFRIGERATING** dead human bodies awaiting alkaline hydrolysis
44 **THAT IS APPROVED BY THE DEPARTMENT AND** that maintains dead human bodies at
45 or below thirty-eight degrees fahrenheit.

- 1 B. An alkaline hydrolysis facility:
2 1. Shall employ a licensed alkaline hydrolysis operator to carry
3 out the process of alkaline hydrolysis. ~~This paragraph does not apply if~~
4 ~~the alkaline hydrolysis facility is operated or supervised by a~~
5 ~~responsible cremationist.~~
6 2. Shall provide proper procedures for all personnel.
7 3. Shall comply with this chapter and other applicable state and
8 federal laws relating to occupational and workplace health and safety.

9 Sec. 12. Section 32-1343, Arizona Revised Statutes, is amended to
10 read:

11 32-1343. Alkaline hydrolysis operators; licensure;
12 application; qualifications; fingerprinting

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

18 B. An applicant for an alkaline hydrolysis operator license shall
19 meet both of the following:

20 1. Submit a completed fingerprint card and the prescribed
21 fingerprint records check fee to the department of health services to
22 enable the department of health services or the department of public
23 safety to conduct a criminal records check.

24 2. Meet the educational requirements as prescribed by the
25 department in rule.

26 C. An applicant for licensure under this section may not have a
27 disqualifying criminal history as determined by the department pursuant to
28 section 41-1093.04.

29 D. If the department finds that the applicant meets the criteria
30 for an alkaline hydrolysis operator license under this section and under
31 rules adopted by the department, the department shall issue an alkaline
32 hydrolysis operator license. ~~A person does not need to be licensed as an~~
33 ~~alkaline hydrolysis operator in order to practice as an alkaline~~
34 ~~hydrolysis operator if the alkaline hydrolysis facility is operated or~~
35 ~~supervised by a responsible cremationist or another person who is a~~
36 ~~licensed alkaline hydrolysis operator.~~

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

1 ~~applicable fee on or before August 1 must apply for a new license pursuant~~
2 ~~to this article.~~

3 Sec. 13. Section 32-1344, Arizona Revised Statutes, is amended to
4 read:

5 32-1344. Alkaline hydrolysis facilities; licensure
6 requirements; application

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

18 B. An individual who applies for an alkaline hydrolysis facility
19 license pursuant to this article, or if the applicant is a business
20 entity, the owners, partners, officers, directors and trust beneficiaries
21 of the entity, shall submit a completed fingerprint card, criminal history
22 background information and a fingerprint background check fee to the
23 department.

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

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

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

1 Sec. 14. Section 32-1361, Arizona Revised Statutes, is amended to
2 read:

3 32-1361. Licensed embalmers; supervision; certification of
4 embalming; exception for embalmer's assistants

5 A. Only a licensed embalmer may embalm a dead human body, except
6 that another person who is employed by a funeral establishment and on a
7 pathway to licensure may embalm a dead human body under the direct
8 supervision of a licensed embalmer.

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

12 C. For the purposes of this section, a person is on a pathway to
13 licensure if both of the following apply:

14 1. The person has been employed by a funeral establishment. ~~for not~~
15 ~~more than three years.~~

16 2. The person intends to become A licensed EMBALMER after assisting
17 in embalming at least twenty-five dead human bodies or INTENDS TO BECOME A
18 LICENSED FUNERAL DIRECTOR BY assisting in arranging and directing at least
19 twenty-five funerals.

20 D. THE PATHWAY TO LICENSURE MAY NOT EXCEED THREE YEARS AND BEGINS
21 EITHER:

22 1. WHILE THE PERSON IS ENROLLED IN AN ACCREDITED OR PROVISIONALLY
23 ACCREDITED SCHOOL OF MORTUARY SCIENCE AND IS ASSISTING EMBALMING DEAD
24 HUMAN BODIES UNDER THE DIRECT SUPERVISION OF A LICENSED EMBALMER OR
25 ASSISTING IN ARRANGING AND DIRECTING FUNERALS.

26 2. AFTER THE PERSON HAS GRADUATED FROM AN ACCREDITED OR
27 PROVISIONALLY ACCREDITED SCHOOL OF MORTUARY SCIENCE AND PASSED THE STATE
28 LAWS AND RULES EXAMINATION AND THE NATIONAL BOARD EXAMINATION AND IS
29 ASSISTING IN EMBALMING DEAD HUMAN BODIES UNDER THE DIRECT SUPERVISION OF A
30 LICENSED EMBALMER OR ASSISTING IN ARRANGING AND DIRECTING FUNERALS.

31 E. A PERSON ON A PATHWAY TO LICENSURE OR THE FUNERAL ESTABLISHMENT
32 PROVIDING DIRECT SUPERVISION OF A PERSON ON A PATHWAY TO LICENSURE SHALL
33 SUBMIT TO THE DEPARTMENT ON A FORM APPROVED BY THE DEPARTMENT INFORMATION
34 NECESSARY FOR THE DEPARTMENT TO VERIFY THAT A PERSON IS ON A PATHWAY TO
35 LICENSURE.

36 F. THIS SECTION DOES NOT APPLY TO A PERSON WHO WAS A LICENSED
37 EMBALMER'S ASSISTANT ON MARCH 31, 2023.

38 Sec. 15. Section 32-1365.01, Arizona Revised Statutes, is amended
39 to read:

40 32-1365.01. Lawful disposition of dead human body;
41 authorization document; legally competent
42 adults; immunity

43 A. A legally competent adult may prepare a written statement
44 directing the cremation or other lawful disposition of the legally

1 competent adult's own remains pursuant to section 36-831. The written
2 statement may but need not be part of the legally competent adult's will.

3 B. The legally competent adult who is the subject of a document
4 described in subsection A of this section shall sign and date the
5 document. The document shall be notarized or witnessed in writing by at
6 least one adult who affirms that the notary or witness was present when
7 the legally competent adult signed and dated the document and that the
8 legally competent adult appeared to be of sound mind and free from duress
9 at the time of execution of the document.

10 C. A document that conforms to this section authorizes a crematory,
11 cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral establishment to carry
12 out the wishes of the legally competent adult who is the subject of the
13 document. It is not necessary for a crematory, cemetery, [ALKALINE](#)
14 [HYDROLYSIS FACILITY](#) or funeral establishment to obtain the consent or
15 concurrence of any other person when it cremates or otherwise provides for
16 the lawful disposition of a dead human body pursuant to instructions
17 contained in a document that conforms to this section.

18 D. This section does not mandate that a crematory, cemetery,
19 [ALKALINE HYDROLYSIS FACILITY](#) or funeral establishment cremate or otherwise
20 provide for the lawful disposition of a dead human body pursuant to the
21 document unless the legally competent adult who executed the document made
22 any financial arrangements necessary to effectuate the legally competent
23 adult's wishes as expressed in the document.

24 E. A crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral
25 establishment that cremates or otherwise provides for the lawful
26 disposition of a dead human body in good faith reliance on an apparently
27 genuine document executed pursuant to this section is immune from criminal
28 and civil liability and is not subject to professional discipline. The
29 decision of a crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral
30 establishment to cremate or otherwise provide for the lawful disposition
31 of a dead human body in reliance on a document executed pursuant to this
32 section is presumed to be made in good faith.

33 Sec. 16. Section 32-1365.02, Arizona Revised Statutes, is amended
34 to read:

35 [32-1365.02. Authorizing agents; consent for cremation,](#)
36 [alkaline hydrolysis, disinterment or embalming;](#)
37 [definition](#)

38 A. Except as provided in section 32-1365.01 and in subsection E of
39 this section, it is unlawful to cremate, [USE ALKALINE HYDROLYSIS](#) or
40 disinter a dead human body without prior written consent of the
41 authorizing agent.

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

1 C. A funeral establishment shall create a written record of an oral
2 consent given pursuant to this section that includes all of the following:
3 1. The name of the authorizing agent.
4 2. The relation of the authorizing agent to the deceased.
5 3. The date and time that consent was given.
6 4. The name of the person who obtained the consent.
7 5. Any other information required by the department.
8 D. In determining who the proper authorizing agent is, the order of
9 preference is the same as provided in section 36-831. If there is more
10 than one member in a category listed in section 36-831 entitled to serve
11 as the authorizing agent, final arrangements may be made by any member of
12 that category unless that member knows of an objection by another member
13 of the category. If an objection is known, final arrangements shall be
14 made by a majority of the members of the category who are reasonably
15 available.
16 E. On the order of a court or a county medical examiner, or a
17 person performing the duties of a county medical examiner, a dead human
18 body shall be disinterred.
19 F. If none of the persons listed in section 36-831 is willing or
20 financially capable of providing for the cremation, [ALKALINE HYDROLYSIS](#) or
21 embalming of a dead human body, the public fiduciary or other person who
22 is designated by the county in which a death occurs to handle funeral
23 arrangements may order the cremation, [ALKALINE HYDROLYSIS](#) or embalming.
24 G. A funeral establishment, an employee or agent of a funeral
25 establishment or a licensee shall exercise due diligence to obtain the
26 consent required pursuant to this section from the proper authorizing
27 agent. It is an affirmative defense to any action or claim brought
28 against a crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral
29 establishment relating to the disposition of a dead human body that the
30 crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral establishment
31 relied in good faith on the direction of a person who claimed to be the
32 authorizing agent in providing for the lawful disposition of a dead human
33 body. The decision of a crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#)
34 or funeral establishment to cremate or otherwise provide for the lawful
35 disposition of a dead human body in reliance on the direction of a person
36 who claims to be the authorizing agent is presumed to be in good faith
37 unless the crematory, cemetery, [ALKALINE HYDROLYSIS FACILITY](#) or funeral
38 establishment has actual knowledge that the claim is false.
39 H. If the authorizing agent is not reasonably available or unable
40 to act as the authorizing agent, the person's right to be the authorizing
41 agent shall pass to the next person or category of persons in the order of
42 preference prescribed in section 36-831.

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

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

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

33 Sec. 17. Section 32-1366, Arizona Revised Statutes, is amended to
34 read:

35 **32-1366. Grounds for disciplinary action**

36 A. After a formal hearing, the department may deny or ~~refuse to~~
37 ~~renew~~ **REVOKE** a license or may take disciplinary action against any
38 embalmer, funeral director, alkaline hydrolysis operator or other person
39 who is licensed pursuant to this chapter for any of the following reasons:

- 40 1. Commission of an act of unprofessional conduct.
- 41 2. Repeated or continuing negligence or any other professional
42 incompetence in the practice of funeral directing, embalming or alkaline
43 hydrolysis.

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

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

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

9 Sec. 18. Section 32-1367, Arizona Revised Statutes, is amended to
10 read:

11 32-1367. Investigations; disciplinary proceedings; civil
12 penalty; probationary terms

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

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

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

29 ~~D.~~ C. After completing an ~~informal interview~~ INVESTIGATION, the
30 department may take any or all of the following disciplinary actions:

31 1. Issue a letter of censure or reprimand.

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

1 3. ~~Impose~~ ASSESS a civil penalty ~~of not more than~~ AGAINST A PERSON
2 WHO VIOLATES THIS CHAPTER OR A RULE ADOPTED PURSUANT TO THIS CHAPTER IN AN
3 AMOUNT OF NOT MORE THAN \$1,000 for each violation. EACH DAY THAT A
4 VIOLATION OCCURS CONSTITUTES A SEPARATE VIOLATION.

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

7 ~~1. Issue a letter of censure or reprimand.~~

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

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

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

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

19 ~~F. If, as a result of information ascertained during an~~
20 ~~investigation, informal interview or formal hearing, the 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 department may issue a letter of concern to the~~
24 ~~licensee. The letter of concern shall advise the licensee of the possible~~
25 ~~violation.~~

26 4. SUSPEND OR REVOKE A LICENSE OR ENDORSEMENT PURSUANT TO CHAPTER
27 41, CHAPTER 6, ARTICLE 10.

28 D. IN DETERMINING THE AMOUNT OF A CIVIL PENALTY PURSUANT TO
29 SUBSECTION C OF THIS SECTION, THE DEPARTMENT SHALL CONSIDER THE FOLLOWING:

30 1. REPEATED VIOLATIONS OF STATUTES OR RULES BY THE PERSON.

31 2. PATTERNS OF NONCOMPLIANCE BY THE PERSON.

32 3. THE TYPES OF VIOLATIONS.

33 4. THE SEVERITY OF VIOLATIONS.

34 5. THE POTENTIAL FOR AND OCCURRENCES OF ACTUAL HARM.

35 6. THREATS TO HEALTH AND SAFETY.

36 7. THE NUMBER OF PERSONS AFFECTED BY THE VIOLATIONS.

37 8. THE NUMBER OF VIOLATIONS.

38 9. THE SIZE OF THE FACILITY.

39 10. THE LENGTH OF TIME THAT THE VIOLATIONS HAVE BEEN OCCURRING.

40 E. ACTIONS TO ENFORCE THE COLLECTION OF CIVIL PENALTIES ASSESSED
41 PURSUANT TO SUBSECTION C OF THIS SECTION SHALL BE BROUGHT BY THE ATTORNEY
42 GENERAL OR THE COUNTY ATTORNEY IN THE NAME OF THE STATE IN THE JUSTICE
43 COURT OR THE SUPERIOR COURT IN THE COUNTY IN WHICH THE VIOLATION OCCURRED.

1 ~~G.~~ F. If a licensee refuses to participate in an ~~informal~~
2 ~~interview or a formal hearing~~ INVESTIGATION, the department may take any
3 or all of the disciplinary actions listed in ~~subsections D and E~~
4 SUBSECTION C of this section.

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

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

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

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

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

34 ~~M.~~ G. In addition to the authority given to the department in this
35 section, the department may impose probationary terms as described in
36 subsection ~~D~~ C, paragraph 2 of this section after the department inspects
37 a funeral establishment, crematory or alkaline hydrolysis facility if the
38 department deems the probationary terms necessary to protect the public
39 health, safety and welfare and to rehabilitate or educate the licensee.

40 Sec. 19. Repeal

41 Section 32-1368, Arizona Revised Statutes, is repealed.

1 Sec. 20. Section 32-1374, Arizona Revised Statutes, is amended to
2 read:

3 32-1374. Price list requirement

4 When a licensee makes arrangements by interstate telecommunications
5 to perform services in this state with any person residing outside this
6 state, the licensee ~~is not required to~~ SHALL provide the written price
7 list required pursuant to section 32-1371 **ELECTRONICALLY UNLESS THE PERSON**
8 **DOES NOT HAVE ACCESS TO THE INTERNET.**

9 Sec. 21. Section 32-1382, Arizona Revised Statutes, is amended to
10 read:

11 32-1382. Funeral establishment requirements; responsible
12 funeral director; universal precautions

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

14 1. Provide separate rooms for each of the following:

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

17 (b) **IF THE FUNERAL ESTABLISHMENT EMBALMS ON-SITE**, a preparation
18 room that meets minimum requirements adopted by the department, that is
19 maintained at all times in a sanitary and professional manner, that has
20 sanitary flooring, drainage and ventilation and that is equipped with
21 instruments and supplies necessary to protect the health and safety of the
22 public and the employees of the funeral establishment in connection with
23 preparing and embalming dead human bodies. This paragraph does not
24 prohibit the embalming of a body at a central location **THAT MEETS THE**
25 **MINIMUM REQUIREMENTS ADOPTED BY THE DEPARTMENT.**

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

28 **2. IF THE FUNERAL ESTABLISHMENT EMBALMS AT A CENTRAL LOCATION AND**
29 **NOT ON-SITE, PROVIDE THE DEPARTMENT THE CENTRAL LOCATION'S NAME, ADDRESS**
30 **AND LICENSE NUMBER.**

31 ~~2.~~ **3.** Provide access to hearses or funeral coaches that are
32 properly equipped for transporting dead human bodies and that are kept in
33 a sanitary and professional manner.

34 ~~3.~~ **4.** Employ and designate a responsible funeral director to
35 manage and supervise the daily operation of the funeral establishment.
36 The responsible funeral director is responsible for the funeral
37 establishment complying with the laws of this state and the rules of the
38 department. The funeral establishment or the responsible funeral director
39 shall designate a licensed funeral director to act as an interim
40 responsible funeral director.

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

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 department is authorized or obligated by law or executive order to close.

5 Sec. 24. Section 32-1390.01, Arizona Revised Statutes, is amended
6 to read:

7 32-1390.01. Prohibited acts; disciplinary actions; agents and
8 employees; penalties

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

- 12 1. Committing fraud or misrepresentation in obtaining a license.
- 13 2. Failing to employ and designate a responsible funeral director.
- 14 3. Displaying or using a funeral establishment license at any place
15 other than the funeral establishment to which it is issued.
- 16 4. Violating title 44, chapter 10, article 7.
- 17 5. Violating this chapter or a rule adopted pursuant to this
18 chapter.

19 6. The commission of an act by an agent or an employee of the
20 funeral establishment that violates this chapter or rules adopted pursuant
21 to this chapter.

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

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

- 29 1. Issue a letter of censure or reprimand.
- 30 2. Impose probationary terms as the department considers necessary
31 to protect the public health, safety and welfare and to rehabilitate or
32 educate the licensee, including restitution to any customer or other
33 person who was injured by a violation of this chapter or a rule adopted
34 pursuant to this chapter.
- 35 3. Impose a civil penalty not to exceed \$3,000 per violation.
- 36 4. Revoke the license of the funeral establishment pursuant to a
37 disciplinary proceeding.
- 38 5. Suspend the license of the funeral establishment for not more
39 than ninety days for a first offense or not more than one hundred eighty
40 days for a second offense.

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

3 32-1390.02. Disciplinary proceedings; notice

4 A. Article 3 of this chapter and rules adopted pursuant to article
5 3 of this chapter govern disciplinary proceedings brought against a
6 funeral establishment.

7 B. Any notice required to be served by the department ~~pursuant to~~
8 ~~section 32-1367, subsection K~~ on a person who is licensed pursuant to
9 article 2 of this chapter shall also be served by the department on each
10 funeral establishment that employed or hired the person at the time of the
11 conduct causing the department to serve the notice on the person. Each
12 funeral establishment shall identify the person to whom the department
13 shall send the notice to be served on the funeral establishment as
14 required by this subsection.

15 Sec. 26. Section 32-1391.12, Arizona Revised Statutes, is amended
16 to read:

17 32-1391.12. Prearranged funeral sales endorsement;
18 requirements

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

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

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

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

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

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

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

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

7 Bond amount requirements established by the department shall be at least
8 \$15,000 but not more than \$50,000 for each funeral establishment.

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

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

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

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

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

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

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

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

33 B. A prearranged funeral sales endorsement ~~shall be renewed~~
34 ~~annually by the funeral establishment by payment of the prescribed renewal~~
35 ~~fee pursuant to section 32-1309 and by compliance with the requirements~~
36 ~~described in subsection A, paragraphs 2, 3 and 4 of this section on or~~
37 ~~before July 31~~ DOES NOT EXPIRE AND REMAINS VALID UNLESS EITHER OF THE
38 FOLLOWING OCCURS:

39 1. THE DEPARTMENT SUBSEQUENTLY REVOKES THE ENDORSEMENT.

40 2. THE ENDORSEMENT IS CONSIDERED VOID BECAUSE THE LICENSEE DID NOT
41 PAY THE APPLICATION FEE BEFORE THE FEE DUE DATE.

42 ~~C. Failure to pay the renewal fee by July 31 voids the endorsement.~~
43 ~~An endorsement voided under this subsection may be reinstated on~~
44 ~~compliance with subsection B of this section and payment of the prescribed~~
45 ~~reinstatement fee.~~

1 Sec. 27. Section 32-1391.13, Arizona Revised Statutes, is amended
2 to read:

3 32-1391.13. Funeral establishment sales endorsement; grounds
4 for denial or revocation; disciplinary action

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

8 1. The funeral establishment fails to satisfy the requirements of
9 section 32-1391.12.

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

12 3. The funeral establishment or its designated funeral director
13 violates this article or any rule adopted pursuant to this article.

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

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

19 6. The funeral establishment or its designated funeral director
20 violates any provision of title 44, chapter 10, article 7.

21 Sec. 28. Section 32-1391.16, Arizona Revised Statutes, is amended
22 to read:

23 32-1391.16. Prearranged funeral sales and trust account
24 activities; funeral establishments; annual
25 report

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

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

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

34 1. The names and addresses of persons who were sold prearranged
35 funerals funded by trust by the funeral establishment during the preceding
36 calendar year and the names of the persons who are to be the beneficiaries
37 of the prearranged funerals.

38 2. THE NAME OF THE SALESPERSON WHO SOLD EACH PREARRANGED FUNERAL
39 PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION.

40 ~~2-~~ 3. The total contract amount for each purchaser listed in
41 paragraph 1 of this subsection, the total amount of monies previously paid
42 on each contract and the amount of monies paid by and refunded to the
43 purchaser on each contract during the preceding calendar year.

1 ~~3-~~ 4. The total trust funds contained in the funeral
2 establishment's prearranged funeral trust accounts as of the end of the
3 preceding calendar year and the total funds received in the trust accounts
4 during that year.

5 ~~4-~~ 5. The total amount of monies, if any, received from purchasers
6 but not deposited in the trust accounts as of the end of the preceding
7 calendar year, excluding initial service fees received by the funeral
8 establishment.

9 ~~5-~~ 6. The names and addresses of all salespersons employed or
10 otherwise engaged by the funeral establishment during the preceding
11 calendar year and the names and registration numbers of all salespersons
12 terminated during that year.

13 ~~6-~~ 7. The names and addresses of the financial institutions where
14 the trust funds are on deposit and the account number of each account.

15 ~~7-~~ 8. A statement of the owner of the funeral establishment that
16 the funeral establishment has complied with this article and rules adopted
17 pursuant to this article.

18 ~~8-~~ 9. Other information required by the department.

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

28 E. The department of health services shall provide the department
29 of insurance and financial institutions with a copy of each annual report
30 filed pursuant to this section.

31 Sec. 29. Repeal

32 Sections 32-1394.02 and 32-1396, Arizona Revised Statutes, are
33 repealed.

34 Sec. 30. Section 32-1397, Arizona Revised Statutes, is amended to
35 read:

36 32-1397. Nontransferability of crematory licenses; change of
37 ownership; interim permit; definition

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

41 B. If a change of ownership of a crematory occurs, the licensee
42 shall notify the department in writing and shall surrender the license to
43 the department within twenty days after the change of ownership. The new
44 owner shall also notify the department in writing within twenty days after

1 the change of ownership and shall submit an INITIAL application for a
2 crematory license to the department pursuant to section 32-1395.

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

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

12 2. The crematory continues to meet the requirements of section
13 32-1394.

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

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

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

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