H.B. No. 1540

AN ACT

relating to the continuation and functions of the Texas Funeral Service Commission; authorizing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 711.007(b), Health and Safety Code, is amended to read as follows:

(b)  The proceeding may be brought by:

(1)  the attorney general;

(2)  the Banking Commissioner of Texas;

(3)  the governing body of a municipality with a population of more than 25,000, if the cemetery is located in the municipality or not farther than five miles from the municipality;

(4)  the district attorney of the county, if the cemetery is located in an area of the county not described by Subdivision (3);

(5)  the owner of a residence:

(A)  in or near the municipality in which the cemetery is located; or

(B)  in the area proscribed for the location of a cemetery by Section 711.008; or

(6)  [~~the Texas Funeral Service Commission; or~~

[~~(7)~~]  the owner of a plot in the cemetery.

SECTION 2.  Section 711.012(b), Health and Safety Code, is amended to read as follows:

(b)  The Texas Funeral Service Commission may adopt rules, establish procedures, and prescribe forms to enforce and administer Section [~~Sections 711.003, 711.008,~~] 711.0105[~~, 711.021-711.034, 711.038, 711.0395, 711.041, 711.042, 711.052, 711.061, 711.063, and 711.064 relating to cemeteries that are not perpetual care cemeteries~~].

SECTION 3.  Section 711.0515, Health and Safety Code, is amended to read as follows:

Sec. 711.0515.  ENFORCEMENT BY ATTORNEY GENERAL; INJUNCTIVE RELIEF. In addition to bringing an action under Section 711.051, the attorney general [~~at the request of the Texas Funeral Service Commission~~] may bring an action for injunctive relief to enforce this chapter or a rule or order adopted by the Texas Funeral Service Commission [~~commission~~] under this chapter.

SECTION 4.  Section 715.003, Health and Safety Code, is amended to read as follows:

Sec. 715.003.  PARTIES TO ACTION. An action commenced under this chapter shall be brought by the incorporators of the nonprofit corporation on behalf of the nonprofit corporation. The necessary parties to the action on which citation shall be served under Section 715.006 are:

(1)  the record owners of the real property comprising the historic cemetery;

(2)  the owners of plots in the cemetery, who may be designated as a class in the petition; and

(3)  the Texas Historical Commission[~~; and~~

[~~(4)  the Texas Funeral Service Commission~~].

SECTION 5.  Section 715.006(a), Health and Safety Code, is amended to read as follows:

(a)  Before the 31st day after the date an action is commenced by a nonprofit corporation under this chapter, the nonprofit corporation shall cause citation to be issued and served by certified mail, return receipt requested, on:

(1)  the record owners of the real property comprising the cemetery at their last known addresses;

(2)  the owners of plots in the cemetery at their last known addresses;

(3)  the Texas Historical Commission at its office in Austin, Texas; and

(4)  [~~the Texas Funeral Service Commission; and~~

[~~(5)~~]  the county auditor of the county in which the cemetery is located.

SECTION 6.  The heading to Subtitle L, Title 3, Occupations Code, is amended to read as follows:

SUBTITLE L. [~~CEMETERY AND~~] CREMATORY SERVICES, FUNERAL DIRECTING, AND EMBALMING

SECTION 7.  The heading to Chapter 651, Occupations Code, is amended to read as follows:

CHAPTER 651. [~~CEMETERY AND~~] CREMATORY SERVICES, FUNERAL DIRECTING, AND EMBALMING

SECTION 8.  Section 651.002, Occupations Code, is amended to read as follows:

Sec. 651.002.  APPLICATION OF SUNSET ACT. The Texas Funeral Service Commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2031 [~~2019~~].

SECTION 9.  Section 651.004, Occupations Code, is amended to read as follows:

Sec. 651.004.  REGULATION OF [~~CEMETERY AND~~] CREMATORY SERVICES. (a) The commission shall regulate [~~cemetery and~~] crematory services as provided by this chapter and Chapter 716, Health and Safety Code.

(b)  The commission may not regulate [~~cemetery or~~] crematory services that occur after burial or inurnment unless the services relate to the care and treatment of the remains in an urn, casket, or outer enclosure.

SECTION 10.  Section 651.051(a), Occupations Code, is amended to read as follows:

(a)  The Texas Funeral Service Commission consists of seven members appointed by the governor, with the advice and consent of the senate as follows:

(1)  two members who are licensed as both an embalmer and a funeral director for at least the five years preceding appointment to the commission;

(2)  one member who is a crematory [~~registered cemetery~~] owner or operator; and

(3)  four members who represent the public and who:

(A)  are not regulated under this chapter; and

(B)  have consistently shown an interest in supporting consumer protection.

SECTION 11.  Section 651.0511, Occupations Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b)  The training program must provide the person with information regarding:

(1)  the law governing commission operations [~~this chapter~~];

(2)  the programs, functions, rules, and budget of [~~operated by~~] the commission;

(3)  the scope of and limitations on the rulemaking authority [~~the role and functions~~] of the commission;

(4)  [~~the rules of the commission, with an emphasis on the rules that relate to disciplinary and investigatory authority;~~

[~~(5)  the current budget for the commission;~~

[~~(6)~~]  the results of the most recent formal audit of the commission;

(5) [~~(7)~~]  the requirements of:

(A)  laws relating to [~~the~~] open meetings [~~law~~], [~~Chapter 551, Government Code;~~

[~~(B)  the~~] public information [~~law~~], [~~Chapter 552, Government Code;~~

[~~(C)  the~~] administrative procedure [~~law~~], and disclosing conflicts of interest [~~Chapter 2001, Government Code~~]; and

(B) [~~(D)~~]  other laws applicable to members of a state policymaking body in performing their duties [~~relating to public officials, including conflict-of-interest laws~~]; and

(6) [~~(8)~~]  any applicable ethics policies adopted by the commission or the Texas Ethics Commission.

(d)  The executive director of the commission shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each member of the commission. Each member of the commission shall sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

SECTION 12.  Section 651.151, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d)  The commission may appoint advisory committees to perform the advisory functions assigned to the committees by the commission. An advisory committee appointed under this subsection is subject to Chapter 2110, Government Code.

SECTION 13.  Section 651.1525(a), Occupations Code, is amended to read as follows:

(a)  Before publishing a proposed rule for public comment, the commission shall seek advice and opinions from persons who will be most affected by the rule. At a minimum, those persons must include consumer groups and trade associations that represent persons from each group regulated by the commission, including funeral directors and [~~cemetery and~~] crematory operators.

SECTION 14.  Section 651.154(a), Occupations Code, is amended to read as follows:

(a)  The commission by rule shall establish [~~set the following~~] fees in amounts reasonable and necessary to cover the costs of administering [~~administer~~] this chapter[~~:~~

[~~(1)  the funeral director's and embalmer's application fee, license fee, duplicate license fee, and reciprocal license fee; and~~

[~~(2)  the cemetery, crematory, or funeral establishment license fee, renewal fee, and late renewal penalty~~].

SECTION 15.  The heading to Section 651.157, Occupations Code, is amended to read as follows:

Sec. 651.157.  INSPECTION OF [~~CEMETERY,~~] CREMATORY[~~,~~] OR FUNERAL ESTABLISHMENT.

SECTION 16.  Sections 651.157(a), (b), (d), and (f), Occupations Code, are amended to read as follows:

(a)  Except as provided by Subsection (b), a licensed [~~cemetery,~~] crematory[~~,~~] or funeral establishment shall be inspected at least once every three [~~two~~] years by an agent of the commission or by an agent of the state or a political subdivision authorized by the commission to make inspections on its behalf.

(b)  If the commission finds a violation of this chapter or of Chapter 193, 361, 711, 714, 715, or 716, Health and Safety Code, the commission shall inspect the [~~cemetery,~~] crematory[~~,~~] or funeral establishment annually until the commission determines that the establishment is free of violations.

(d)  The commission by rule shall establish:

(1)  procedures for the inspection of a [~~cemetery,~~] crematory[~~,~~] or funeral establishment required by this section; and

(2)  criteria, including consideration of the establishment's inspection and complaint history, regarding when the commission should inspect an establishment based on the risk of a violation at an establishment.

(f)  Before a commission agent inspects a [~~cemetery,~~] crematory[~~,~~] or funeral establishment, the agent shall review the inspection reports filed with the commission on the establishment. During the inspection, the agent shall determine whether previously identified problems have been corrected and whether a pattern of violations exists. The commission shall consider the information from the inspection reports in determining whether a penalty should be imposed against an establishment.

SECTION 17.  Section 651.162, Occupations Code, is amended to read as follows:

Sec. 651.162.  ANNUAL [~~BIENNIAL~~] REPORT. (a) The commission shall prepare [~~file biennially with the governor~~] a written annual report describing [~~description of~~] the activities of the commission during the [~~two~~] preceding fiscal year [~~years~~]. The report must include information regarding:

(1)  licensing, inspection, and enforcement activities;

(2)  changes to commission policies; and

(3)  complaint information.

(b)  The commission shall post the report on the commission's Internet website.

SECTION 18.  Section 651.164, Occupations Code, is amended to read as follows:

Sec. 651.164.  LICENSE EXPIRATION; TERM. (a) A license issued under this chapter, other than a provisional license, is valid for a term of one or two years as provided by commission rule.

(b)  The commission by rule shall [~~may~~] adopt a system under which licenses expire on various dates during the year. For a [~~the year in which the~~] license that is issued for less than a full term [~~expiration date is changed~~], the commission shall prorate license fees on a monthly basis so that the [~~each~~] license holder pays only that portion of the license fee that is allocable to the number of months during which the license is valid. On renewal of the license on the new expiration date, the total license renewal fee is payable.

SECTION 19.  Subchapter E, Chapter 651, Occupations Code, is amended by adding Section 651.2035 to read as follows:

Sec. 651.2035.  CONFIDENTIALITY OF COMPLAINT INFORMATION. (a) Except as provided by Subsection (b), a complaint and investigation and all information and materials compiled by the commission in connection with the complaint and investigation are not subject to:

(1)  disclosure under Chapter 552, Government Code; or

(2)  disclosure, discovery, subpoena, or other means of legal compulsion for release of information to any person.

(b)  A complaint or investigation subject to Subsection (a) and all information and materials compiled by the commission in connection with the complaint may be disclosed to:

(1)  the commission and commission employees or agents involved in license holder discipline;

(2)  a party to a disciplinary action against the license holder or that party's designated representative;

(3)  a law enforcement agency; or

(4)  a governmental agency, if the disclosure is required or permitted by law.

(c)  The commission is not required under Subsection (b) to release the identity of a complainant who will not testify at the hearing.

(d)  Notwithstanding Subsection (a), on the dismissal or final resolution of a complaint or investigation, a final order of the commission is subject to disclosure under Chapter 552, Government Code.

SECTION 20.  Section 651.259(e), Occupations Code, is amended to read as follows:

(e)  The commission shall conduct a criminal background check on each applicant. [~~An applicant is not eligible for a license under this section if the applicant has, in the 10 years preceding the date of the application, been finally convicted of a misdemeanor involving moral turpitude or a felony.~~]

SECTION 21.  Sections 651.260(a) and (b), Occupations Code, are amended to read as follows:

(a)  A [~~If a license issued under this chapter is lost or destroyed, the~~] license holder may apply to the commission for a duplicate license:

(1)  if a license issued under this chapter is lost or destroyed; or

(2)  as needed to comply with Section 651.261.

(b)  The license holder must submit the application on a form prescribed by the commission and must submit with the application an affidavit verifying:

(1)  for an applicant under Subsection (a)(1), the loss or destruction of the license;

(2)  that the license holder is the person to whom the license was issued; and

(3)  for an applicant under Subsection (a)(1), any other information concerning the loss or destruction of the license the commission requires.

SECTION 22.  The heading to Subchapter H, Chapter 651, Occupations Code, is amended to read as follows:

SUBCHAPTER H. LICENSE REQUIREMENTS: [~~CEMETERY,~~] FUNERAL[~~,~~] AND COMMERCIAL EMBALMER ESTABLISHMENTS

SECTION 23.  Section 651.351(g), Occupations Code, is amended to read as follows:

(g)  The commission may exempt a funeral establishment from the requirements of Subsection (d)(5) if the establishment meets the requirements for the exemption provided by commission rule[~~:~~

[~~(1)  the majority owner or designated agent of record of a funeral establishment submits a written petition to the commission requesting an exemption and stating:~~

[~~(A)  the establishment's name and address;~~

[~~(B)  that the establishment is located within 50 miles of a facility owned by the establishment requesting the exemption and at which embalming services may be performed; and~~

[~~(C)  that no embalming services will be performed at the establishment; and~~

[~~(2)  the commission determines that the criteria in Subdivision (1) have been met~~].

SECTION 24.  Section 651.354, Occupations Code, is amended to read as follows:

Sec. 651.354.  RENEWAL OF [~~CEMETERY OR~~] FUNERAL ESTABLISHMENT LICENSE. (a) The commission shall mail written notice to a [~~cemetery or~~] funeral establishment of the impending expiration of the establishment's license not later than the 30th day before the expiration date of the license. The notice must state that:

(1)  to renew the license, the [~~cemetery or~~] funeral establishment must pay the renewal fee in an amount provided by rule not later than the license expiration date; and

(2)  the license is automatically renewed on receipt of the renewal fee.

(b)  A [~~cemetery or~~] funeral establishment that fails to pay the license renewal fee by the due date is subject to a late payment penalty in an amount determined by rule [~~equal to the amount charged for the license renewal fee~~].

(c)  If the license is expired for longer than 30 days, the [~~cemetery or~~] funeral establishment may not operate as a [~~cemetery or~~] funeral establishment until the renewal fee and the late payment penalty are paid.

[~~(d)  This section does not apply to a perpetual care cemetery.~~]

SECTION 25.  Section 651.401, Occupations Code, is amended to read as follows:

Sec. 651.401.  FIRST CALL; REMOVAL OF BODY. (a) First call occurs at the beginning of a relationship between a funeral director and a person authorized by Section 711.002, Health and Safety Code, to control the disposition of the decedent's remains.

(b)  Notwithstanding Subsection (c), a [~~A~~] funeral director [~~or embalmer~~] must direct [~~and personally supervise~~] the pickup of a dead human body under this chapter [~~on first call~~].

(c) [~~(b)~~]  A dead human body may be transferred without a funeral director directing [~~personally making~~] the transfer at the direction of a justice of the peace or other law enforcement official[~~:~~

[~~(1)  from one funeral establishment to another;~~

[~~(2)  from a funeral establishment to and from a morgue in which an autopsy is performed;~~

[~~(3)  to and from an airport, crematory, or both; or~~

[~~(4)  in circumstances in which there is no reasonable probability that an unlicensed person will encounter a family member or other person with whom funeral arrangements are normally made by a funeral director or embalmer~~].

(d)  A funeral director may direct an unlicensed person, a provisional license holder, or an embalmer in the removal of a dead human body. A funeral director who directs the removal of a dead human body by an unlicensed person is strictly accountable for compliance with the requirements of this chapter. [~~(c)~~] If an unlicensed person, a provisional license holder, or an embalmer inadvertently encounters a family member or other person with whom funeral arrangements are normally made, the [~~unlicensed~~] person shall restrict communication with the family member or other person to:

(1)  identifying the [~~unlicensed~~] person's employer; and

(2)  [~~arranging an appointment with the unlicensed person's employer for a family member or other person who indicates a desire to make funeral arrangements for the deceased; and~~

[~~(3)~~]  making any disclosure to the family member or other person that is required by federal or state law or regulation.

[~~(d)  A funeral director or embalmer who directs the removal or transfer of a dead human body without personally supervising the transfer is strictly accountable for compliance with the requirements of first call as provided by this section.~~]

SECTION 26.  The heading to Section 651.4055, Occupations Code, is amended to read as follows:

Sec. 651.4055.  RETAIL PRICE LIST; [~~CEMETERY OR~~] CREMATORY.

SECTION 27.  Sections 651.4055(a) and (b), Occupations Code, are amended to read as follows:

(a)  In this section, "retail price list" means a printed or typewritten list of the retail price of items or services provided by a [~~cemetery or~~] crematory.

(b)  A retail price list must contain:

(1)  the name, address, and telephone number of the [~~cemetery or~~] crematory;

(2)  the effective date for the stated prices;

(3)  notice required by Subsection (c); and

(4)  any other items that the commission may by rule require.

SECTION 28.  The heading to Section 651.4065, Occupations Code, is amended to read as follows:

Sec. 651.4065.  PURCHASE AGREEMENT; [~~CEMETERY OR~~] CREMATORY.

SECTION 29.  Section 651.4065(a), Occupations Code, is amended to read as follows:

(a)  A purchase agreement must state:

(1)  the name, address, and telephone number of the [~~cemetery or~~] crematory;

(2)  the amount paid or owed to another person by the [~~cemetery or~~] crematory on behalf of the customer and each fee charged the customer for the cost of advancing funds or becoming indebted to another person on behalf of the customer;

(3)  the printed notice required by Subsection (b);

(4)  the name, mailing address, and telephone number of the commission;

(5)  a statement that complaints may be directed to the commission; and

(6)  any other items that the commission may by rule require.

SECTION 30.  Section 651.460, Occupations Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b)  A funeral establishment violates this chapter if:

(1)  the funeral establishment fails to substantially comply with Section 651.351;

(2)  the funeral establishment or a person acting on behalf of the funeral establishment violates Chapter 193 or 361, Health and Safety Code; [~~or~~]

(3)  the funeral establishment, a person acting on behalf of the funeral establishment, or a person directly or indirectly connected with the funeral establishment violates Chapter 154, Finance Code, or a rule adopted under that chapter; or

(4)  the funeral establishment or a person acting on behalf of a funeral establishment allows or assists an unlicensed person to engage in an activity for which a person is required to hold a license under this chapter.

(c)  A crematory violates this chapter if the crematory or a person acting on behalf of the crematory allows or assists an unlicensed person to engage in an activity for which a person is required to hold a license under this chapter.

SECTION 31.  Section 651.501(a), Occupations Code, is amended to read as follows:

(a)  After a hearing as provided by this subchapter, the commission may issue a reprimand, assess an administrative penalty, revoke, suspend, or probate the suspension of a license or provisional license, order a license holder to pay a refund under Section 651.603, or impose any combination of those penalties for a violation of this chapter or a rule adopted under this chapter.

SECTION 32.  Section 651.601, Occupations Code, is amended by adding Subsection (a-2) to read as follows:

(a-2)  The commission may bring an action for appropriate injunctive relief against a person who is not licensed under this chapter to enjoin a violation of this chapter or a rule adopted under this chapter.

SECTION 33.  Subchapter M, Chapter 651, Occupations Code, is amended by adding Section 651.603 to read as follows:

Sec. 651.603.  REFUND. (a) The commission may order a license holder to pay a refund to a person harmed by the license holder's violation of this chapter or failure to fulfill the terms of a purchase agreement with the person.

(b)  The amount of a refund ordered under this section may not exceed the actual amount paid by the person to the license holder.

SECTION 34.  Section 651.657, Occupations Code, is amended by adding Subsection (d) to read as follows:

(d)  The application form for renewal of a license as a crematory establishment must allow the applicant to provide a written statement that the information previously provided to the commission under Subsection (b) has not changed, if applicable.

SECTION 35.  Section 651.658, Occupations Code, is amended by amending Subsections (a) and (f) and adding Subsection (a-1) to read as follows:

(a)  A [~~To renew a crematory establishment license, the~~] crematory establishment must annually[~~:~~

[~~(1)~~]  file a report with the commission that lists the number of cremations performed at the crematory during the previous year.

(a-1)  An applicant for renewal of a crematory establishment license shall apply to the commission and[~~;~~

[~~(2)~~]  pay the required [~~license renewal~~] fee[~~; and~~

[~~(3)  provide the information required by Section 651.657 or a written statement that the information has not changed since previously provided~~].

(f)  The commission shall impose a [~~$100~~] late fee in an amount provided by rule for each day a crematory establishment fails to submit the annual report required by this section if an extension has not been granted.

SECTION 36.  The following provisions of the Occupations Code are repealed:

(1)  Sections 651.154(b) and (c);

(2)  Section 651.1571;

(3)  Section 651.203(b);

(4)  Section 651.2595;

(5)  Section 651.353;

(6)  Section 651.355; and

(7)  Section 651.4065(c).

SECTION 37.  The change in law made by this Act to Section 651.051(a), Occupations Code, does not affect the entitlement of a member serving on the Texas Funeral Service Commission immediately before the effective date of this Act to continue to serve for the remainder of the member's term. As the terms of commission members expire, the governor shall appoint or reappoint members who have the qualifications required for members under Section 651.051(a), Occupations Code, as amended by this Act.

SECTION 38.  (a) Except as provided by Subsection (b) of this section, Section 651.0511, Occupations Code, as amended by this Act, applies to a member of the Texas Funeral Service Commission appointed before, on, or after the effective date of this Act.

(b)  A member of the Texas Funeral Service Commission who, before the effective date of this Act, completed the training program required by Section 651.0511, Occupations Code, as that law existed before the effective date of this Act, is required to complete additional training only on subjects added by this Act to the training program as required by Section 651.0511, Occupations Code, as amended by this Act. A member of the commission described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission held on or after December 1, 2019, until the member completes the additional training.

SECTION 39.  Section 651.259(e), Occupations Code, as amended by this Act, applies only to an application for a license submitted on or after the effective date of this Act. An application for a license submitted before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 40.  Section 651.351(g), Occupations Code, as amended by this Act, applies only to an exemption requested by a funeral establishment on or after the date the Texas Funeral Service Commission adopts rules providing for the requirements for an exemption under that subsection. A request made before that date is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 41.  Sections 651.460(b) and 651.501(a), Occupations Code, as amended by this Act, and Sections 651.460(c), 651.601(a-2), and 651.603, Occupations Code, as added by this Act, apply only to conduct that occurs on or after the effective date of this Act. Conduct that occurs before that date is governed by the law in effect on the date the conduct occurred, and the former law is continued in effect for that purpose.

SECTION 42.  The changes made by this Act to Chapter 651, Occupations Code, relating to fees under that chapter apply only to a fee that becomes due on or after the effective date of this Act. A fee that became due before that date is governed by the law in effect on the date the fee became due, and the former law is continued in effect for that purpose.

SECTION 43.  (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2019.

(b)  Section 651.162, Occupations Code, as amended by this Act, takes effect September 1, 2020.

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    President of the Senate Speaker of the House

I certify that H.B. No. 1540 was passed by the House on April 17, 2019, by the following vote:  Yeas 135, Nays 1, 2 present, not voting.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chief Clerk of the House

I certify that H.B. No. 1540 was passed by the Senate on May 10, 2019, by the following vote:  Yeas 31, Nays 0.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Secretary of the Senate

APPROVED:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                    Date

           \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                  Governor