

**SB107 ENGROSSED**



1 SB107  
2 ARLZUQ7-2  
3 By Senators Figures, Gudger  
4 RFD: State Governmental Affairs  
5 First Read: 13-Jan-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Alabama Board of Funeral Services; to amend Sections 34-13-30.1, 34-13-191, 34-13-192, and 34-13-199, Code of Alabama 1975; to authorize the board to impose an administrative fee on each funeral establishment for each funeral arranged; to increase the initial application, renewal, branch registration, and transfer fees relating to a certificate of authority; to require a certificate holder to file an annual statement of preneed activities conducted; to require a certificate holder to file an annual report relating to preneed contract activities and authorize the board to require the filing of additional reports as needed; and to increase the initial application and renewal fees for registration as a preneed sales agent

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 34-13-30.1, 34-13-191, 34-13-192, and 34-13-199 of the Code of Alabama 1975, are amended to read as follows:

"§34-13-30.1

(a) Beginning with the 2024 fiscal year, the Department of Insurance may transfer to the board quarterly, for deposit



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29 by the board into the Alabama Board of Funeral Services Fund,  
30 the total amount of three hundred thousand dollars (\$300,000)  
31 per fiscal year, to defray costs associated with the  
32 administration and operation of the Alabama Preneed Funeral  
33 and Cemetery Act of 2023 by the board.

34 (b) Unless extended by an act of the Legislature, ~~this~~  
35 ~~section shall be repealed~~ at the end of the 2027 fiscal year\_  
36 subsection (a) and this subsection shall have no further  
37 effect.

38 (c) Beginning June 1, 2026, upon each final disposition  
39 for which a funeral establishment makes funeral arrangements  
40 or otherwise renders services regulated by this chapter, the  
41 board may require each funeral establishment to pay an  
42 administrative fee, not to exceed thirty dollars (\$30), to the  
43 board for deposit by the board into the Alabama Board of  
44 Funeral Services Fund. The board, by rule, may provide  
45 procedures for assessing and collecting the fee."

46 "§34-13-191

47 (a) An application to the board for a certificate of  
48 authority shall be accompanied by the statement and other  
49 matters described in this section in the form prescribed by  
50 the board. Annually thereafter, or within an extension of time  
51 ~~therefor~~, as the board for good cause may grant, the person  
52 authorized to engage in the sale of preneed contracts shall  
53 file with the board a full and true statement of his or her  
54 financial condition, transactions, and affairs, prepared on a  
55 basis as adopted by a rule of the board, as of the preceding  
56 fiscal period or at such other time or times as the board may

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57 provide by rule, together with information and data which may  
58 be required by the board.

59 (b) The statement shall include all of the following:

60 (1) The types of preneed contracts proposed to be  
61 written and the type of funding vehicles to be used.

62 (2) The name and address of the place of business of  
63 the person offering to write preneed contracts.

64 (3) Evidence that the person offering the statement has  
65 all of the following qualifications:

66 a. ~~Has the~~ The ability to discharge his or her preneed  
67 liabilities as they become due in the normal course of  
68 business and ~~has~~ sufficient funds available during the  
69 calendar year to perform his or her obligations under the  
70 contract.

71 b. ~~Has complied~~ Compliance with the trust requirements  
72 for the funds received under contracts issued by himself or  
73 herself as hereinafter described.

74 c. ~~Has disbursed~~ Compliance with the disbursement  
75 requirements for interest, dividends, or accretions earned by  
76 trust funds, in accordance with this chapter and rules adopted  
77 hereunder pursuant to this chapter.

78 d. ~~Has complied~~ Compliance with this chapter and any  
79 rules of the board.

80 (4) Any other information considered necessary by the  
81 board to meet the board's responsibilities under this chapter.

82 (c) If the person is an individual, the statement shall  
83 be sworn to by him or her; if a firm or association, by all  
84 members thereof; or, if a corporation, by any officer of the



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85 corporation.

86 (d) (1) An application to the board for an initial  
87 certificate of authority shall be accompanied by an  
88 application fee in an amount to be determined by the board,  
89 not to exceed ~~one hundred ninety-eight dollars (\$198)~~ five  
90 hundred dollars (\$500). Thereafter, each annual application  
91 for renewal of a certificate of authority shall be accompanied  
92 by the appropriate fee as determined by the board not to  
93 exceed ~~ninety-nine dollars (\$99)~~ five hundred dollars (\$500).

94 (2) Any person ~~or entity~~ that is part of a common  
95 business enterprise that has a certificate of authority issued  
96 pursuant to this chapter and elects to operate under a name  
97 other than that of the common business enterprise shall submit  
98 an application on a form prescribed by the board to become a  
99 branch registrant. Upon the approval of the board that the  
100 entity qualifies to sell preneed contracts under this chapter,  
101 except for the requirements of paragraph ~~a. of subdivision (3)~~  
102 ~~of subsection (b) (3)a.~~, and if the certificate holder meets  
103 the requirements of paragraph (b) (3)a., a branch registration  
104 shall be issued. Each branch registrant may operate under the  
105 certificate of authority of the common business enterprise  
106 upon the payment of a fee established by the board not to  
107 exceed ~~one hundred ninety-eight dollars (\$198)~~ accompanying  
108 the application on September 1 annually five hundred dollars  
109 (\$500). Thereafter, each annual application for renewal of a  
110 branch registration shall be accompanied by the appropriate  
111 fee, as determined by the board, not to exceed five hundred  
112 dollars (\$500).



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113 (e) Upon the board being satisfied that the statement  
114 and matters that accompany the statement meet the requirements  
115 of this chapter and of its rules, the board shall issue or  
116 renew the certificate of authority.

117 (f) The certificate of authority shall expire annually  
118 on October 1~~7~~, unless renewed, or at such other time or times  
119 as the board may provide by rule.

120 (g) On or before a date adopted by the board each year,  
121 the certificate holder shall file with the board in the form  
122 prescribed by the board a full and true statement as to ~~the~~  
123 any preneed activities ~~of any trust established by it~~ pursuant  
124 to this chapter for the preceding calendar year.

125 (h) In addition to any other penalty ~~that may be~~  
126 provided for under this chapter, the board may levy a fine not  
127 to exceed fifty dollars (\$50) per day for each day the  
128 certificate holder fails to file its annual statement, and the  
129 board may levy a fine not to exceed fifty dollars (\$50) per  
130 day for each day the certificate holder fails to file the  
131 statement of activities of the trust. Upon notice to the  
132 certificate holder by the board that the certificate holder  
133 has failed to file the annual statement or the statement of  
134 activities of the trust, the certificate holder's authority to  
135 sell preneed contracts shall cease while the default  
136 continues.

137 (i) To facilitate uniformity in financial statements  
138 and to facilitate analysis, the board, by rule, may adopt a  
139 form for financial statements. The holder of a certificate of  
140 authority may submit a written request to the board to exempt



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141 the holder from filing financial statements at renewal. The  
142 board may waive the requirement for filing a financial  
143 statement at renewal if all of the following are satisfied:

144 (1) No valid complaint has been filed since the last  
145 audit.

146 (2) No administrative action against the preneed entity  
147 has been instituted since the last audit.

148 (3) The certificate holder certifies that all  
149 outstanding preneed contracts written by the holder since  
150 April 30, 2002, are fully funded in accordance with this  
151 chapter.

152 (4) The certificate holder certifies that it will fully  
153 fund all preneed contracts with life insurance, or annuity, or  
154 will deposit 100 percent of all funds collected on all preneed  
155 contracts in trust within 30 days after the end of the  
156 calendar month in which the funds are collected.

157 (5) The preneed entity has provided to the board in a  
158 timely manner all required and requested records.

159 (6) The preneed entity agrees to file reports of its  
160 preneed activity on a form, in a format, and as often as  
161 prescribed by the board.

162 (j) The board may authorize the transfer of  
163 certificates of authority and establish fees for the transfer  
164 in an amount not to exceed ~~one hundred thirty-two dollars~~  
165 ~~(\$132)~~ five hundred dollars (\$500). Upon receipt of an  
166 application for transfer, the board may grant a temporary  
167 certificate of authority to the proposed transferee, based  
168 upon criteria established by the board, by rule, which. The



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169 criteria shall promote the purposes of this chapter in  
170 protecting the consumer. A temporary certificate of authority  
171 shall expire 60 days after issuance unless renewed by the  
172 board."

173           "§34-13-192

174           (a) ~~On or before July 1, each~~ Each year, the  
175 certificate holder shall file ~~a report~~ one or more reports of  
176 its preneed contract activity on a form or in a format  
177 prescribed by the board and as often as deemed necessary by  
178 the board. The information reported shall include the total  
179 number of preneed contracts in force at the end of the  
180 previous calendar year, the total number of preneed contracts  
181 sold during the previous calendar year, the total number of  
182 preneed contracts fulfilled during the previous calendar year,  
183 the total number of preneed contracts in force at the end of  
184 the previous calendar year, and such other information as may  
185 be required by the board. The report shall be organized by  
186 type of funding, including life insurance, annuity, trust,  
187 letter of credit, or surety bond. The report shall also  
188 provide a certification by the trustee of the amount of assets  
189 held by the trust at the beginning of the reporting period and  
190 at the end of the reporting period, together with the amount  
191 of deposits and withdrawals during the reporting period. ~~If a~~  
192 ~~certificate holder twice defaults in complying with the~~  
193 ~~requirements of this subsection, the board may require that~~  
194 ~~the certificate holder thereafter submit the report within 45~~  
195 ~~days after the end of each calendar quarter and shall continue~~  
196 ~~so reporting for a time to be determined by the board.~~



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197 (b) The certificate holder shall maintain a written log  
198 of preneed sales. The log shall be on a form or in a format  
199 prescribed by the board, shall detail all information required  
200 by the board, and shall be available for inspection at any  
201 time by the board.

202 (c) Each cemetery authority shall maintain a written  
203 log of the sale of cemetery interment rights. The log shall be  
204 on a form or in a format prescribed by the board and shall  
205 detail all information required by the board.

206 (d) The board may maintain a statewide database of  
207 preneed contracts reported to the board pursuant to subsection  
208 (a). The board may make information in this database  
209 searchable by the public by means of unique identifiers, or  
210 any other means, that the board determines respects the  
211 privacy of those involved while also protecting consumers from  
212 financial waste by allowing families to determine if a  
213 deceased loved one has an existing preneed contract. Any  
214 preneed consumer who does not wish for his or her information  
215 to appear in this searchable database may opt out by following  
216 a process established by the board."

217 "§34-13-199

218 (a) All individuals who offer preneed contracts to the  
219 public, or who execute preneed contracts on behalf of a  
220 certificate holder, shall be registered with the board as  
221 preneed sales agents, pursuant to this chapter.

222 (b) All preneed sales agents and funeral directors  
223 acting as preneed sales agents shall be affiliated with the  
224 certificate holder that they are representing.



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225 (c) A certificate holder shall be responsible for the  
226 activities of all preneed sales agents and all funeral  
227 directors acting as preneed sales agents who are affiliated  
228 with the certificate holder and who perform any type of  
229 preneed-related activity on behalf of the certificate holder.  
230 In addition to the preneed sales agents and funeral directors  
231 acting as preneed sales agents, each certificate holder shall  
232 also be subject to discipline if its preneed sales agents or  
233 funeral directors acting as preneed sales agents violate this  
234 chapter.

235 (d) A preneed sales agent and a funeral director acting  
236 as a preneed sales agent may sell, offer, and execute preneed  
237 contracts on behalf of all properly licensed entities owned or  
238 operated by the sponsoring certificate holder.

239 (e) An individual may begin operating as a preneed  
240 sales agent as soon as a completed application for  
241 registration, as set forth in subsection (g), is approved by  
242 the board.

243 (f) (1) The qualifications for a preneed sales agent are  
244 as follows:

245 a. The applicant must be at least 18 years of age.

246 b. The applicant must be in good standing with the  
247 board.

248 c. The applicant may not have any felony or misdemeanor  
249 convictions that relate to any activity regulated by this  
250 chapter or a crime involving moral turpitude, as defined by  
251 this chapter.

252 d. The applicant shall be of good moral character and



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253 submit to a criminal history background check pursuant to  
254 subdivision (2).

255 (2) An applicant for licensure as a preneed sales agent  
256 shall submit to the board, on a form sworn to by the  
257 applicant, his or her name, date of birth, Social Security  
258 number, and two complete sets of fingerprints for completion  
259 of a criminal history background check. The board shall submit  
260 the fingerprints to the Alabama State Law Enforcement Agency  
261 for a state criminal history background check. The  
262 fingerprints shall be forwarded by the agency to the Federal  
263 Bureau of Investigation for a national criminal history  
264 background check. Costs associated with conducting a criminal  
265 history background check shall be paid by the applicant. The  
266 board shall keep information received pursuant to this  
267 subdivision confidential, except that information received and  
268 relied upon in denying the issuance of a certificate of  
269 authority may be disclosed if necessary to support the denial.  
270 All character information, including the information obtained  
271 through the criminal history background checks, shall be  
272 considered in licensure decisions to the extent permissible by  
273 all applicable laws.

274 (g) An application for registration as a preneed sales  
275 agent shall be submitted to the board with an application fee  
276 determined by the board, ~~but not to exceed thirty-three~~  
277 ~~dollars (\$33)~~ two hundred dollars (\$200), by the certificate  
278 holder in a form that has been prescribed by board rule. The  
279 application shall contain, at a minimum, all of the following:

280 (1) The name, address, Social Security number, and date



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281 of birth of the applicant and any other information as the  
282 board may reasonably require of the applicant.

283 (2) The name, address, and license number of the  
284 sponsoring certificate holder.

285 (3) A representation, signed by the applicant, that the  
286 applicant meets the requirements set forth in subsection (f).

287 (4) A representation, signed by the certificate holder,  
288 that the applicant is authorized to offer, sell, and sign  
289 preneed contracts on behalf of the certificate holder and that  
290 the certificate holder has trained the applicant in this  
291 chapter relating to preneed sales, the provisions of the  
292 certificate holder's preneed contract, and the nature of the  
293 merchandise, services, or burial rights sold by the  
294 certificate holder.

295 (5) A statement indicating whether the applicant has  
296 any type of working or agency relationship with any other  
297 certificate holder or insurance company.

298 (h) An individual may be registered as a preneed sales  
299 agent on behalf of more than one certificate holder, provided  
300 that the individual has received the written consent of all  
301 certificate holders.

302 (i) A certificate holder who has registered a preneed  
303 sales agent shall notify the board within 30 days after the  
304 individual's status as a preneed sales agent has been  
305 terminated.

306 (j) Upon approval of an application that complies with  
307 all of the requirements of subsection (g), the board shall  
308 register the applicant. The board, in accordance with this



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309 chapter, shall provide for annual renewal of registration upon  
310 receipt of a renewal application and a renewal fee not to  
311 exceed ~~thirty-three dollars (\$33)~~ two hundred dollars (\$200)  
312 as set by the board."

313 Section 2. This act shall become effective on June 1,  
314 2026.



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316  
317 Senate

318 Read for the first time and referred .....13-Jan-26  
319 to the Senate committee on State  
320 Governmental Affairs  
321  
322 Read for the second time and placed .....21-Jan-26  
323 on the calendar:  
324 0 amendments  
325  
326 Read for the third time and passed .....12-Mar-26  
327 as amended  
328 Yeas 22  
329 Nays 5  
330 Abstains 0

331  
332  
333 Patrick Harris,  
334 Secretary.  
335