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JOINT OWNERSHIP OF FUNERAL HOMES

House Bill 5832

Sponsor: Rep. Ilona Varga

Committee: Regulatory Affairs

Complete to 5-20-98

A SUMMARY OF HOUSE BILL 5832 AS INTRODUCED 5-7-98

The bill is part of a package of bills to amend various acts that regulate the cemetery and funeral home industries and that are tie-barred to each other. House Bill 5832 would make several amendments to Article 18 of the Occupational Code, entitled "Mortuary Science". Currently, if a funeral home is a corporation or a partnership, each active member of the corporation or partnership, along with the individual whose name appears or is used in connection with the corporation or partnership, must be a licensed mortician. The bill would delete this requirement. As under current law, a funeral establishment would still have to be operated by a person who holds a license for the practice of mortuary science, but the establishment would have to conspicuously display the names of all persons licensed to conduct the business and the names of the owners would have to be registered with the Department of Consumer and Industry Services (CIS).

Currently, a person cannot operate a funeral establishment, either directly or indirectly, if his or her license had been revoked for a violation under Article 18; the bill would include violations of the Cemetery Regulation Act (MCL 456.521 to 456.543) and the Prepaid Funeral Contract Funding Act (MCL 328.211 to 328.235), as well as excluding persons who had been determined by CIS or a court to have engaged in activities regulated by any of these acts without first being licensed or registered. The bill would also specify that CIS would have to deny an application or renewal of a license for a funeral establishment unless the operator of the establishment was a holder of a license for the practice of mortuary science.

In addition, each owner, officer and shareholder who owned 10 percent or more of stock in an establishment that was a corporation or who was a partner of a funeral establishment would have to be of good moral character. (A definition for "good moral character" is contained in Public Act 381 of 1974 [MCL 338.41] which regulates occupational licensing for former offenders). The bill would specify that it would not prohibit a person from providing a discount for the purchase of funeral services and a cemetery lot or merchandise as long as the price charged covered the actual cost of the services and merchandise. Under the bill, a funeral establishment would not be allowed to refuse the use of funeral goods bought from another vendor. Further, the bill would delete a provision specifying that a branch establishment was required to comply with the rules and regulations relating to a funeral establishment.

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The bill is tie-barred to House Bill 5831, which would amend the Public Health Code; House Bill 5833, which would amend the Cemetery Regulation Act; and House Bill 5834, which would amend the Prepaid Funeral Contract Funding Act.

MCL 339.1804, 339.1809, and 339.1811

Analyst: S. Stutzky

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.