

HOUSE BILL No. 4389

March 9, 1999, Introduced by Rep. LaSata and referred to the Committee on Family and Civil Law.

A bill to amend 1986 PA 255, entitled "Prepaid funeral contract funding act," by amending sections 4, 5, 6, 8, 11, 20, and 22 (MCL 328.214, 328.215, 328.216, 328.218, 328.221, 328.230, and 328.232).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "Depository" means a state or national bank
2 ~~which~~ THAT is a member of the federal deposit insurance corpo-
3 ration, a state or federal savings and loan association ~~which~~
4 THAT is a member of the federal savings and loan insurance corpo-
5 ration, or a state or federally chartered credit union ~~which~~
6 THAT is insured by the national credit union administration, or a
7 trust company authorized to do business in this state.
8 Depository includes the trust department, if any, of an entity
9 referred to in this subsection.

1 (2) "DESIGNEE" MEANS AN EMPLOYEE OF THE REGISTRANT WHO IS
2 AUTHORIZED TO RECEIVE PRINCIPAL AND INCOME HELD BY THE ESCROW
3 AGENT ON BEHALF OF THE REGISTRANT.

4 (3) ~~(2)~~ "Escrow agent" means a person who holds, invests,
5 and disburses principal and income from the funds received under
6 a prepaid funeral contract.

7 (4) ~~(3)~~ "Funds" means all money or other consideration
8 actually received from a contract buyer by a contract seller or
9 provider or an assignee ~~from~~ OF the contract buyer in connec-
10 tion with any aspect of the sale of a prepaid funeral contract
11 including finance charges. ~~, but does~~ FUNDS DO not include late
12 payment penalties, payments required to be made to a governmental
13 agency at the time the contract is entered into, or a commission
14 authorized by section 12(1).

15 (5) ~~(4)~~ "Funeral goods" means items of merchandise sold or
16 offered for sale or lease to consumers ~~which~~ THAT will be used
17 in connection with a funeral or an alternative to a funeral or
18 final disposition of human remains ~~including~~ AND INCLUDE, but
19 ARE not limited to, caskets, combination units, and catafalques.
20 Funeral goods ~~shall~~ DO not include ~~and~~ THE FOLLOWING:

21 (A) LAND or interests in land, crypts, lawn crypts, mauso-
22 leum crypts, or niches that are sold by a cemetery ~~which~~ THAT
23 complies with the endowment care fund requirements of the ceme-
24 tery regulation act, ~~Act No. 251 of the Public Acts of 1968,~~
25 ~~being sections 456.521 to 456.543 of the Michigan Compiled Laws~~
26 1968 PA 251, MCL 456.521 TO 456.543. ~~In addition, funeral goods~~
27 ~~shall not include cemetery~~

1 (B) CEMETERY burial vaults or other outside containers,
2 markers, monuments, urns, ~~and~~ OR merchandise items used for the
3 purpose of memorializing a decedent and placed on or in proximity
4 to a place of interment or entombment of a casket, catafalque, or
5 vault or to a place of inurnment which are sold ~~by a cemetery~~
6 ~~which deposits at least 130% of the cost of these items in a mer-~~
7 ~~chandise trust account established and operated~~ AND DEPOSITED IN
8 A TRUST ACCOUNT in accordance with the cemetery regulation act,
9 ~~Act No. 251 of the Public Acts of 1968, being sections 456.521~~
10 ~~to 456.543 of the Michigan Compiled Laws~~ 1968 PA 251, MCL
11 456.521 TO 456.543.

12 (6) ~~(5)~~ "Funeral services" means services customarily per-
13 formed by a mortuary science licensee who is licensed pursuant to
14 ~~sections 1801 to 1812~~ ARTICLE 18 of the occupational code, ~~Act~~
15 ~~No. 299 of the Public Acts of 1980, being sections 339.1801 to~~
16 ~~339.1812 of the Michigan Compiled Laws~~ 1980 PA 299, MCL 339.1801
17 TO 339.1812. ~~Further, funeral~~ FUNERAL services ~~includes~~
18 INCLUDE, but ~~is~~ ARE not limited to, THE care of dead human
19 remains, embalming, preparation of dead human remains for final
20 disposition, professional services relating to a funeral or an
21 alternative to a funeral or final disposition of dead human
22 remains, transportation of dead human remains, limousine serv-
23 ices, use of facilities or equipment for viewing dead human
24 remains, visitation, memorial services, or services ~~which~~ THAT
25 are used in connection with a funeral or AN alternative to a
26 funeral, coordinating or conducting funeral rites or ceremonies,
27 and other services provided in connection with a funeral,

1 alternative to a funeral, or final disposition of dead human
2 remains.

3 (7) ~~(6)~~ "Guaranteed price contract" means a prepaid
4 funeral contract under which funds received are held pursuant to
5 an escrow agreement. ~~The~~ A GUARANTEED PRICE contract has a
6 guaranteed fixed price for which specified funeral goods or
7 funeral services are required to be sold to or made available
8 ~~for~~ TO a contract buyer or for a contract beneficiary, regard-
9 less of the cost or value of the funeral goods or funeral serv-
10 ices at the time of death of the contract beneficiary. Under the
11 guaranteed price contract, additional consideration ~~shall~~ IS
12 not ~~be~~ charged for ~~the originally contracted for~~ THOSE
13 funeral goods and funeral services. ~~at the time of delivery of~~
14 ~~the funeral goods and funeral services contracted for.~~

15 (8) ~~(7)~~ "Income" means the money earned by the investment
16 of the principal, including, but not limited to, interest, divi-
17 dends, and gains or losses on the sale of, deposit of, or
18 exchange of, property using invested principal amounts.

19 Sec. 5. (1) "Nonguaranteed price contract" means a prepaid
20 funeral contract under which funds received are held pursuant to
21 an escrow agreement between a contract seller or provider and a
22 contract buyer. Under the terms of ~~this~~ A NONGUARANTEED PRICE
23 contract, a contract seller or provider agrees to apply the prin-
24 cipal and income to the cost of the funeral goods or funeral
25 services ~~which funeral goods and funeral services~~ THAT may be
26 selected by the contract buyer at the time the contract is signed
27 or as selected by a person legally authorized to procure funeral

1 goods and funeral services at the time of death of the contract
2 beneficiary. ~~However, this~~ A NONGUARANTEED PRICE contract
3 ~~shall~~ DOES not obligate the contract beneficiary's estate or
4 the person ~~who is~~ legally entitled to make funeral arrangements
5 for a deceased contract beneficiary to purchase specific goods
6 and services ~~which were~~ selected before the contract
7 beneficiary's death ~~, nor shall this contract~~ AND DOES NOT
8 obligate either the contract beneficiary's estate or the person
9 ~~who is~~ LEGALLY entitled to make funeral arrangements for a
10 deceased contract beneficiary to expend a specific amount OF
11 MONEY on funeral goods or funeral services.

12 (2) "Person" means an individual, group of individuals, sole
13 proprietorship, partnership, association, corporation, a govern-
14 mental agency, or a combination of these legal entities.

15 (3) "Prepaid funeral contract" means a contract requiring
16 payment in advance for funeral services or for funeral goods,
17 physical delivery and retention of which would occur after death
18 OF THE CONTRACT BENEFICIARY under a guaranteed price contract or
19 a nonguaranteed price contract. Prepaid funeral ~~contracts~~
20 ~~shall~~ CONTRACT DOES not include a contract for the sale of
21 funeral goods or funeral services ~~which is~~ entered into after
22 the death of the ~~person for whose benefit the goods or services~~
23 ~~are acquired~~ CONTRACT BENEFICIARY.

24 (4) "Principal" means the money, finance charges, or other
25 consideration actually deposited in the escrow accounts required
26 by section 12.

1 (5) "Provider" means any person who furnishes or agrees to
2 furnish funeral goods or funeral services pursuant to a prepaid
3 funeral contract, whether or not that person is the contract
4 seller. In the case of funeral goods, provider ~~shall mean~~
5 MEANS the person who arranges for delivery of the funeral goods
6 at the time of the death of the contract beneficiary and DOES not
7 INCLUDE the manufacturer of the FUNERAL goods. In the case of
8 funeral services, provider ~~shall mean~~ MEANS a person licensed
9 pursuant to section ~~1806(3)~~ 1806 of the occupational code, ~~Act~~
10 No. 299 of the Public Acts of 1980, being section 339.1806(3) of
11 the Michigan Compiled Laws 1980 PA 299, MCL 339.1806.

12 (6) "Registrant" means a person ~~who has~~ registered with
13 the department pursuant to section 6.

14 (7) "SUCCESSOR" MEANS THE SUCCEEDING REGISTRANT WHO HAS
15 AGREED TO ACCEPT THE ASSIGNMENT OF PREPAID FUNERAL CONTRACTS
16 WRITTEN UNDER THE PREVIOUS REGISTRATION.

17 Sec. 6. (1) A person shall not sell, provide, or agree to
18 provide funeral goods or funeral services pursuant to a prepaid
19 funeral contract unless that person is registered with the
20 department as provided in this section and has received a certifi-
21 cate of registration.

22 (2) ~~A person desiring to~~ TO receive a certificate of reg-
23 istration under this section, A PERSON shall ~~make application~~
24 ~~upon~~ APPLY ON forms provided by the department and pay an appli-
25 cation fee of \$120.00. The original registration may be
26 renewed. ~~A certification of registration shall be valid for 3~~
27 ~~years from the date of its issuance.~~ A REGISTRATION SHALL EXPIRE

1 ON SEPTEMBER 30 AND BE VALID FOR A 3-YEAR PERIOD. An application
2 form for original registration or renewal shall contain the
3 following:

4 (a) The name and business address of the ~~entity~~
5 ~~registering~~ PERSON APPLYING FOR REGISTRATION.

6 (b) The names and addresses of persons owning 10% or more
7 interest in the ~~entity~~ PERSON applying for registration.

8 (c) The business address where books and records pertaining
9 to prepaid funeral contracts ~~shall be~~ ARE maintained for
10 inspection by the department.

11 (d) A list of the names and addresses of any escrow agents
12 ~~in which~~ WITH WHOM funds have been DEPOSITED or will be depos-
13 ited by the registrant. ~~which after registration shall be con-~~
14 ~~stantly updated.~~ The registrant shall CONSTANTLY UPDATE THE LIST
15 AND SHALL inform the department of any change in this list within
16 30 days ~~of~~ AFTER the change by adding to the list the name and
17 address of any new escrow agent or by deleting from the list an
18 escrow agent whose services are no longer being used by the
19 registrant.

20 (e) A SWORN statement ~~made under oath~~ INDICATING that the
21 registrant has an agreement with each escrow agent with ~~which~~
22 WHOM it has deposited funds ~~which~~ THAT complies with the
23 requirements of section 7.

24 (3) AN APPLICATION SHALL BE ACCOMPANIED BY THE FOLLOWING
25 APPLICABLE OWNERSHIP DOCUMENTATION:

26 (A) ARTICLES OF INCORPORATION.

1 (B) CORPORATE CERTIFICATE OF ASSUMED NAME.

2 (C) CORPORATE CERTIFICATE OF COPARTNERSHIP.

3 (D) CERTIFICATE OF ASSUMED NAME.

4 (4) ~~(3)~~ The department shall renew the registration of a
5 person who applies for renewal upon a form provided by the
6 department and ~~pays an~~ DOES THE FOLLOWING:

7 (A) PAYS THE RENEWAL application fee of \$30.00. ~~provided~~
8 ~~that the person has submitted the~~

9 (B) SUBMITS A sworn statement as required by ~~this section~~
10 ~~and the~~ SUBSECTION (2)(E).

11 (C) SUBMITS A special report or sworn statement as required
12 by section ~~8 at least 60 days prior to the expiration date~~
13 ~~printed on the certificate of registration~~ 8(2) OR (6).

14 (5) The certificate of registration of a person who fails to
15 file the sworn statement or special report required by ~~this sec-~~
16 ~~tion shall expire~~ SUBSECTION (4) EXPIRES on the date printed on
17 the certificate of registration. A registrant may reinstate the
18 registration within 60 days of its expiration by submitting the
19 sworn statement or special report and paying a RENEWAL fee of
20 ~~\$120.00~~ \$30.00 AND A LATE FEE OF \$20.00. A REGISTRANT MAY
21 REINSTATE THE REGISTRATION WITHIN 60 DAYS AFTER ITS EXPIRATION BY
22 SUBMITTING A SPECIAL REPORT AND PAYING AN APPLICATION FEE OF
23 \$120.00 AND A \$20.00 LATE FEE.

24 (6) ~~(4)~~ The department may deny the registration of a
25 person if it determines any of the following:

26 (a) That the person was previously registered with the
27 department and that registration was revoked or suspended within

1 2 years ~~prior to~~ BEFORE the date of the current application.
2 ~~for registration.~~

3 (b) That the person was or is presently an owner with a sub-
4 stantial interest in the entity, partner, or employee of a person
5 whose registration was revoked or suspended within 2 years ~~prior~~
6 ~~to~~ BEFORE the date of the current application ~~for registration~~
7 and the person engaged or participated in or authorized the mis-
8 conduct which was the basis for the revocation or suspension.

9 (C) THAT THE PERSON HAS VIOLATED THIS ACT OR ARTICLE 18 OF
10 THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.1801 TO 339.1812, OR
11 HAS A LICENSE THAT HAS BEEN SUSPENDED OR REVOKED.

12 (7) ~~(5) An applicant who registers with the~~ THE department
13 shall not ~~receive~~ ISSUE a certificate of registration ~~unless~~
14 ~~the~~ TO AN applicant ~~complies~~ WHO FAILS TO COMPLY with ~~the~~
15 ~~conditions in~~ this section.

16 (8) ~~(6) A person who is~~ denied registration by the
17 department ~~pursuant to~~ UNDER THE GROUNDS DESCRIBED IN this sec-
18 tion may ~~petition~~ REQUEST the department ~~for reconsideration~~
19 TO RECONSIDER THE DENIAL. A person ~~seeking~~ REQUESTING recon-
20 sideration ~~shall be~~ IS entitled to a hearing conducted in com-
21 pliance with the administrative procedures act of 1969, ~~Act~~
22 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
23 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
24 24.328.

25 Sec. 8. (1) A registrant shall ~~keep,~~ MAINTAIN in this
26 state ~~,~~ accurate accounts, books, and records of all
27 transactions and accounts regulated by this act. Records ~~shall~~

1 include, BUT ARE NOT LIMITED TO, copies of all prepaid funeral
2 contracts, the dates and amounts of payments made and accepted
3 under these contracts, the name and address of each contract
4 buyer, the name and address of the contract beneficiaries, the
5 name and address of each escrow agent, and any other records as
6 the department may require ~~to enable it~~ to determine ~~whether~~
7 ~~the registrant is complying~~ COMPLIANCE with ~~the requirements~~
8 ~~of~~ this act. ~~Records~~ THE REGISTRANT shall ~~be kept~~ MAINTAIN
9 THE RECORDS DESCRIBED IN THIS SUBSECTION for at least 36 months
10 after performance of all obligations of each prepaid funeral con-
11 tract or FOR AT LEAST 36 MONTHS after the filing of the ~~final~~
12 special report ~~which~~ THAT includes ~~a contract which has~~ ALL
13 PREPAID FUNERAL CONTRACTS THAT HAVE been performed.

14 (2) ~~At least once every 3 years~~ BEGINNING JULY 1, 1998 AND
15 NOT LATER THAN JULY 1 OF EACH SUCCEEDING YEAR, a registrant
16 ~~which~~ THAT serves as an escrow agent or ~~which~~ THAT has depos-
17 ited funds with an escrow agent pursuant to section 12 shall
18 ~~secure a special report of limited review prepared by a licensed~~
19 ~~independent certified public accountant pertaining to prepaid~~
20 ~~funeral contract funds. The special report shall be on forms~~
21 ~~provided by the department or in any other format considered~~
22 ~~appropriate by the independent certified public accountant. The~~
23 ~~special report shall be prepared and dated within 90 days before~~
24 ~~the expiration of the registrant's certificate of registration~~
25 ~~and shall be furnished to the department with the registrant's~~
26 ~~application for renewal or, if an application for renewal is not~~
27 ~~filed, before the expiration of the certificate of registration.~~

~~1 In preparing the special report, the independent certified public
2 accountant shall not be required to review all prepaid funeral
3 contracts, escrow agreements, escrow accounts, or records of the
4 registrant, nor shall the independent certified public accountant
5 be required to review any receipts or deposits by the registrant
6 of prepaid funeral contract funds. The special report of the
7 independent certified public accountant shall provide the follow-
8 ing assurances~~ SUBMIT A SPECIAL REPORT ON THE FORMS PROVIDED BY
9 THE DEPARTMENT. THE SPECIAL REPORT SHALL CONTAIN ALL THE
10 FOLLOWING:

11 (a) ~~That, based either upon a review of the registrant's
12 agreements with escrow agents or depositories which limit invest-
13 ments of the escrow funds by the escrow agents or depositories to
14 those investments permitted by this act, or upon a review of the
15 investments of the escrow accounts, the investment requirements
16 of section 12(4) have been complied with.~~ INFORMATION NECESSARY
17 TO DETERMINE COMPLIANCE WITH THE REQUIREMENTS OF THIS ACT REGARD-
18 ING THE ESCROWING OF FUNDS.

19 (b) ~~In the case of escrow accounts where the registrant
20 serves as the escrow agent, that withdrawals, as detailed in the
21 periodic statements of the depositories in which the escrow
22 accounts are maintained, have been made in accordance with this
23 act.~~ THE NAMES AND ADDRESS OF THE DEPOSITORIES INTO WHICH THE
24 FUNDS ARE DEPOSITED, THE ACCOUNT NUMBERS, AND ESCROW DATES.

25 (c) ~~That no matters have come to the attention of the inde-
26 pendent certified public accountant during the review of escrow
27 account investments and withdrawals that gave cause to believe~~

1 ~~that the registrant has not complied with this act, or if any~~
2 ~~matters have come to his or her attention, the independent certi-~~
3 ~~fied public accountant shall include an explanation of the mat-~~
4 ~~ters which caused the belief that the registrant has not complied~~
5 ~~with this act.~~ A SIGNED STATEMENT OF A LICENSED INDEPENDENT CER-
6 TIFIED PUBLIC ACCOUNTANT PROVIDING REASONABLE ASSURANCE THAT THE
7 ESCROW INFORMATION CONTAINED IN THE SPECIAL REPORT IS FAIRLY
8 PRESENTED BASED UPON TESTS OF THE RECORDS AND SUCH OTHER PROCE-
9 DURES AS THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT CONSIDERS
10 NECESSARY UNDER THE CIRCUMSTANCES.

11 (3) IF AN APPLICATION FOR RENEWAL IS NOT FILED, A REGISTRANT
12 SHALL SUBMIT THE REPORT BEFORE THE EXPIRATION OF THE CERTIFICATE
13 OF REGISTRATION.

14 (4) ~~(3)~~ The department ~~may~~ SHALL examine each special
15 report required by ~~this section and if~~ SUBSECTION (2). IF the
16 department determines on the basis of its review that THERE IS
17 REASON TO BELIEVE the registrant or its agent has not held or
18 invested funds in accordance with the requirements of this act or
19 has failed to file a special report as required BY SUBSECTION
20 (2), THE DEPARTMENT SHALL AUDIT THE REPORT IN QUESTION. IF THE
21 DEPARTMENT DETERMINES FROM THAT AUDIT THAT A REGISTRANT HAS VIO-
22 LATED THIS ACT, the department shall take any appropriate correc-
23 tive ADMINISTRATIVE or penal action authorized by this act.

24 (5) ~~(4)~~ The department may examine, review, or audit the
25 books and records of a contract seller or provider pertaining to
26 funds received in payment for prepaid funeral contracts. An
27 audit may include an examination of the books and financial

1 records of the registrant as well as books and financial records
2 of escrow agents used by the registrant. A registrant shall
3 authorize escrow agents to open their records of the registrant
4 accounts to the department upon request.

5 (6) ~~(5) For the purposes of complying with the requirements~~
6 ~~of this section, a~~ A registrant who has not sold, provided, or
7 agreed to provide funeral goods or funeral services ~~in accord-~~
8 ~~ance with~~ UNDER a prepaid funeral contract and who has no obli-
9 gations with respect to an outstanding prepaid funeral contract
10 may submit a sworn statement that a prepaid funeral contract has
11 not been sold, provided, or agreed to and THAT there are no obli-
12 gations outstanding. ~~This~~ THE DEPARTMENT SHALL ACCEPT THIS
13 SWORN statement ~~shall be accepted in lieu~~ INSTEAD of the spe-
14 cial report.

15 (7) A REGISTRANT WHOSE BOOKS AND RECORDS HAVE BEEN AUDITED
16 BY THE DEPARTMENT SHALL REIMBURSE THE DEPARTMENT FOR THE ACTUAL
17 COST OF ANY AUDIT, EXAMINATION, OR REVIEW OF BOOKS AND RECORDS
18 CONDUCTED UNDER THIS ACT.

19 Sec. 11. (1) A guaranteed AND NONGUARANTEED price contract
20 shall designate a provider who has agreed to furnish the funeral
21 goods or funeral services specified in the contract upon the
22 death of the contract beneficiary. If the provider designated is
23 not the contract seller of the contract, the provider shall have
24 previously contracted with the contract seller to provide the
25 goods and services specified in the contract and the contract
26 shall indicate this contractual relationship or the provider
27 shall be made a party to the contract before any consideration is

1 paid and the contract shall not be binding on the contract buyer
2 until the provider has been made a party to the contract.

3 (2) In addition to the registration otherwise required by
4 the terms of this act, the provider ~~which~~ THAT has agreed to
5 furnish funeral goods or funeral services pursuant to a guaran-
6 teed price contract shall, at the time the contract is entered
7 into, possess any license required in order to provide funeral
8 goods or funeral services, pursuant to sections 1801 to 1812 of
9 the occupational code, ~~Act No. 299 of the Public Acts of 1980,~~
10 ~~being sections 339.1801 to 339.1812 of the Michigan Compiled~~
11 ~~Laws~~ 1980 PA 299, MCL 339.1801 TO 339.1812.

12 Sec. 20. (1) Upon A complaint made by ~~any~~ A person, or
13 upon its own initiative, the department may investigate ~~alleged~~
14 violations of this act or rules promulgated under this act
15 ALLEGED TO HAVE BEEN COMMITTED by a registrant or any other
16 person. The department may examine books, records, contracts,
17 and other documents in possession of or under the control of
18 ~~any~~ A registrant with or without the consent of that registrant
19 and with or without a warrant authorizing the examination, or of
20 any other person if that person consents to an examination or if
21 the department obtains a warrant authorizing an examination. If
22 the department determines that reasonable cause exists to believe
23 that a violation has occurred, it shall do 1 of the following:

24 (a) If the alleged violation was committed by a person other
25 than a registrant, the department shall refer the matter to the
26 attorney general or a prosecuting attorney for criminal or civil
27 action as provided in sections 23 and 24.

1 (b) If the alleged violation was committed by a registrant,
2 the department shall do either of the following:

3 (i) Refer the matter to the attorney general for civil or
4 criminal prosecution or enforcement.

5 (ii) Institute ADMINISTRATIVE proceedings ~~in compliance~~
6 ~~with~~ UNDER the administrative procedures act of 1969, ~~Act~~
7 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to~~
8 ~~24.328 of the Michigan Compiled Laws~~ 1969 PA 306, MCL 24.201 TO
9 24.328.

10 (iii) ISSUE A CEASE AND DESIST ORDER.

11 (2) If, after a hearing, the department determines that a
12 registrant has violated the provisions of this act or ~~any~~ A
13 rule promulgated ~~pursuant to~~ UNDER this act, the department
14 shall do 1 or more of the following:

15 (a) Suspend or revoke the registration.

16 (b) Impose ~~a civil~~ AN ADMINISTRATIVE fine not to exceed
17 \$5,000.00 for each violation. ~~and~~ THE DEPARTMENT may suspend
18 the registration until the ADMINISTRATIVE fine is paid.

19 (c) Require restitution of funds paid pursuant to a prepaid
20 funeral contract. ~~and restitution~~ THE DEPARTMENT may ~~include~~
21 ~~suspending~~ SUSPEND the registration until restitution is made.

22 (d) Impose a period of probation during which the registrant
23 is required to comply with additional conditions imposed by the
24 department in lieu of or in addition to the imposition of other
25 SANCTIONS OR penalties ~~provided~~ AVAILABLE under this act.

1 (e) Impose restrictions upon the registrant's prepaid
2 funeral business activities ~~which~~ THAT require additional
3 accountability to the department.

4 (f) Issue a written warning to the registrant.

5 Sec. 22. (1) A person who converts funds paid pursuant to a
6 prepaid funeral contract to his or her own use or benefit, other
7 than as authorized by this act, ~~shall be~~ IS guilty of a felony
8 ~~,~~ punishable by a fine of ~~\$5,000.00~~ NOT MORE THAN \$25,000.00,
9 or imprisonment of not more than ~~5~~ 10 years, or both, for each
10 violation.

11 (2) A person who violates any other provision of this act
12 ~~shall be~~ IS guilty of a ~~misdemeanor,~~ FELONY punishable by a
13 fine of not more than ~~\$1,000.00~~ \$10,000.00, or imprisonment for
14 not more than ~~1 year~~ 5 YEARS, or both, for each violation.

15 Enacting section 1. This amendatory act takes effect
16 January 1, 2000.