

HOUSE BILL No. 6697

November 30, 2006, Introduced by Reps. Drolet, Tobocman, Sheen, Hoogendyk, Gosselin, Lipsey, Emmons, Garfield and Lemmons, III and referred to the Committee on Government Operations.

A bill to amend 1986 PA 255, entitled
"Prepaid funeral and cemetery sales act,"
by amending section 6 (MCL 328.216), as amended by 2004 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) ~~—A—~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS**
2 **SUBSECTION, A** person shall not sell, provide, or agree to provide
3 merchandise or funeral or cemetery services pursuant to a prepaid
4 contract unless that person is registered with the department as
5 provided in this section and has received a certificate of
6 registration. **A CEMETERY OWNED AND OPERATED BY A CHURCH OR**
7 **RELIGIOUS INSTITUTION IS EXEMPT FROM THIS ACT.**

8 (2) A person desiring to receive a certificate of registration
9 under this section shall apply upon forms provided by the
10 department and pay an application fee of \$120.00. The original

1 registration may be renewed. A certification of registration is
2 valid for 3 years from the date of its issuance. An application
3 form for original registration or renewal shall contain the
4 following:

5 (a) The name and business address of the person registering.

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

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

11 (d) A list of the names and addresses of any escrow agents in
12 which funds have been or will be deposited by the registrant as
13 well as copies of all escrow or trust agreements between a
14 registrant and an escrow agent. The list and copies required by
15 this subdivision shall be constantly updated. The registrant shall
16 inform the department of any change in this list within 30 days of
17 the change by adding to the list the name and address of any new
18 escrow agent or by deleting from the list an escrow agent whose
19 services are no longer being used by the registrant.

20 (e) A statement made under oath that the registrant has an
21 agreement with each escrow agent with which it has deposited funds
22 which complies with the requirements of section 7, or if the
23 registrant is or intends to be an escrow agent for funds received
24 in connection with a nonguaranteed price contract, a statement that
25 the registrant will comply with the requirements of section 7.

26 (3) The department shall renew the registration of a person
27 who applies for renewal upon a form provided by the department and

1 pays an application fee of \$30.00 provided that the person has
2 submitted the sworn statement as required by this section and the
3 special report or sworn statement as required by section 8 at least
4 60 days before the expiration date printed on the certificate of
5 registration. The certificate of registration of a person who fails
6 to file the sworn statement or special report required by this
7 section shall expire on the date printed on the certificate of
8 registration. A registrant may reinstate the registration within 60
9 days of its expiration by submitting the sworn statement or special
10 report and paying a fee of \$120.00.

11 (4) The department may deny the registration of a person if it
12 determines any of the following:

13 (a) That the person was previously registered with the
14 department and that registration was revoked or suspended within 2
15 years before the date of the current application for registration.

16 (b) That the person was or is presently an owner with a
17 substantial interest in the entity, partner, or employee of a
18 person whose registration was revoked or suspended within 2 years
19 before the date of the current application for registration and the
20 person engaged or participated in or authorized the misconduct that
21 was the basis for the revocation or suspension.

22 (c) That the person lacks good moral character as defined and
23 determined under 1974 PA 381, MCL 338.41 to 338.47.

24 (d) That the person has violated this act, article 18 of the
25 occupational code, 1980 PA 299, MCL 339.1801 to 339.1812, or the
26 cemetery regulation act, 1968 PA 251, MCL 456.521 to 456.543.

27 (5) An applicant who registers with the department shall not

1 receive a certificate of registration unless the applicant complies
2 with the conditions in this section.

3 (6) A person who is denied registration by the department
4 pursuant to this section may petition the department for
5 reconsideration. A person seeking reconsideration is entitled to a
6 hearing conducted in compliance with the administrative procedures
7 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.