

SENATE BILL No. 1580

November 4, 2010, Introduced by Senator PAPPAGEORGE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1968 PA 251, entitled
"Cemetery regulation act,"
by amending section 10 (MCL 456.530), as amended by 2008 PA 478.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10. (1) The commissioner shall institute and maintain a
2 system of auditing trust funds required by this act and of
3 registering each cemetery authorized to be created, maintained, and
4 operated in this state, as well as any other cemetery operating
5 under state law or local ordinance. A cemetery owned and operated
6 by a municipal corporation, church, ~~or~~ religious institution, **OR A**
7 **CORPORATION THAT HAS MORE THAN 48% OWNERSHIP BY A QUALIFIED CHARITY**
8 is exempt from this act. **BEGINNING THE EFFECTIVE DATE OF THE**
9 **AMENDATORY ACT THAT ADDED THIS SENTENCE, A CORPORATION THAT HAS**

1 MORE THAN 48% OWNERSHIP BY A QUALIFIED CHARITY AND THAT IS SEEKING
2 EXEMPTION FROM THIS ACT UNDER THIS SUBSECTION SHALL NOTIFY THE
3 COMMISSIONER IN WRITING AND SUBMIT A STATEMENT COMPOSED BY AN
4 INDEPENDENT MICHIGAN-LICENSED CERTIFIED PUBLIC ACCOUNTANT
5 DESCRIBING AND CERTIFYING THE NATURE OF THE CHARITABLE OWNERSHIP OF
6 THE CORPORATION. ANNUALLY THEREAFTER, THE CORPORATION SHALL SUBMIT
7 SUCH A STATEMENT IN ORDER TO MAINTAIN ITS EXEMPTION UNDER THIS
8 SUBSECTION. WITHIN 30 DAYS AFTER THE CORPORATION IS DETERMINED TO
9 HAVE FALLEN BELOW THE OVER-48% OWNERSHIP REQUIREMENT, THE
10 CORPORATION IS CONSIDERED SUBJECT TO THIS ACT AND SHALL NOTIFY THE
11 COMMISSIONER IN WRITING. However, a municipal corporation may pass
12 ordinances necessary for regulating that municipal corporation's
13 cemeteries.

14 (2) A cemetery for earth interment of 10 acres or less in
15 size, which is owned and operated entirely and exclusively by an
16 existing nonprofit entity and in which a burial has taken place
17 before September 15, 1968, is exempt from the fee provisions of
18 this act, shall have the trust fund required by this act audited at
19 the discretion of the commissioner, and is exempt from the
20 endowment care trust fund requirements of section 16, except for
21 the report requirements if the cemetery maintains endowment and
22 perpetual care trust funds.

23 (3) AS USED IN THIS SECTION, "QUALIFIED CHARITY" MEANS A
24 CHARITABLE TRUST OR ENTITY THAT EITHER QUALIFIES UNDER SECTION
25 5012(C)(3) OF THE INTERNAL REVENUE CODE, 26 USC 501, OR IS A TRUST
26 IN WHICH THE SOLE BENEFICIARY OF THE TRUST IS THE CEMETERY.