

Legislative Analysis



ISSUANCE OR RENEWAL OF FUNERAL ESTABLISHMENT LICENSES

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House Bill 4574 as enacted
Public Act 80 of 2013
Sponsor: Rep. Kenneth Kurtz
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Complete to 8-13-13

A SUMMARY OF HOUSE BILL 4574 AS ENACTED

The bill amended Article 18 of the Occupational Code to prohibit the Department of Licensing and Regulatory Affairs (LARA) from issuing or renewing a funeral establishment license unless the applicant certifies certain information regarding prepaid funeral contracts.

Article 18 requires the practice of mortuary science to be done at a fixed location that is licensed by LARA. Establishment licenses are issued for specific locations only and are automatically canceled upon a change in the ownership or location of the establishment.

Under House Bill 4574, LARA could not issue or renew an establishment license unless the applicant certifies at least one of the following is met at the time of application:

- The applicant, or a person that has a controlling interest in, or is under common ownership with the applicant, is registered with LARA under Section 6 of the Prepaid Funeral and Cemetery Sales Act. [Section 6 requires individuals to be registered with LARA before selling, providing, or agreeing to provide merchandise or funeral or cemetery services under a prepaid contract.]
- The applicant has a contract with a registrant under which the registrant sells, provides, or agrees to sell or provide merchandise, funeral services, or cemetery services under a prepaid contract on behalf of the funeral establishment.
- If an establishment license is canceled under the act [establishment licenses are automatically canceled under MCL 339.1806(3) upon a change in ownership or location], LARA could not grant a new license for the establishment unless the applicant assumes the obligations of any unperformed prepaid contracts in which the former establishment was designated as the provider, or certifies that the remaining unperformed prepaid contracts have been reassigned to another funeral establishment or to a person that has a contract with a funeral establishment that has agreed to act as the provider.

MCL 339.1806

FISCAL IMPACT:

The bill would have no significant fiscal impact on state or local units of government.

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