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House Bill 4574 (as passed by the House)
Sponsor: Representative Kenneth Kurtz
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 6-5-13

CONTENT

The bill would amend Article 18 (Mortuary Science) of the Occupational Code to do the following:

- **Prohibit the Department of Licensing and Regulatory Affairs (LARA) from issuing or renewing a funeral establishment license unless the applicant were registered under the Prepaid Funeral and Cemetery Sales Act or had a contract with a registrant under that Act to provide prepaid services and merchandise.**
- **Prohibit LARA from granting a new funeral establishment license, if a license were canceled because of a change of ownership, unless the applicant assumed the former owner's prepaid contract obligations or certified that those contracts had been assigned to another funeral establishment.**

The bill would take effect 90 days after its enactment.

Issuance/Renewal of Establishment License

Article 18 requires LARA to issue a license to engage in the practice of mortuary science to an individual who meets the requirements for the license. A person may practice mortuary science only at a fixed location. A person may not open or maintain a place for practice, or hold himself or herself out as engaging in the practice of mortuary science, without an establishment license issued by LARA. An establishment license is issued for a specific location.

Under the bill, LARA could not issue or renew an establishment license unless the applicant certified that one of the following was met at the time of application:

- The applicant, or a person that had a controlling interest in or was under common ownership with the applicant, was registered with the Department under the Prepaid Funeral and Cemetery Sales Act.
- The applicant had a contract with a registrant under which the registrant sold, provided, or agreed to sell or provide merchandise, funeral services, or cemetery services under a prepaid contract on behalf of the funeral establishment.

(A "registrant" would be a person who has registered with LARA under the Prepaid Funeral and Cemetery Sales Act.)

Canceled Establishment License

Under Article 18, a change in the ownership or location of a funeral establishment automatically cancels its license. A licensee immediately must report a change in ownership or location to LARA.

Under the bill, if an establishment license were canceled because of a change of ownership of the funeral establishment, LARA could not grant a new license for that establishment unless the applicant either assumed the obligations of any unperformed prepaid contracts in which the former establishment was designated as the provider under the Prepaid Funeral and Cemetery Sales Act, or certified that the unperformed prepaid contracts had been assigned to another funeral establishment.

MCL 339.1806

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.