

PREPAID FUNERAL AND CEMETERY SALES ACT (EXCERPT)
Act 255 of 1986

328.214 Definitions; D to M.

Sec. 4.

(1) As used in this act:

(a) "Depository" means a state or nationally chartered bank or state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government under the laws of this state or the United States. Depository includes the trust department, if any, of an entity referred to in this subsection.

(b) "Detroit consumer price index" means the index for all urban wage earners for the Detroit statistical area from the United States department of labor, bureau of labor statistics.

(c) "Escrow agent" means a person who holds, invests, and disburses principal and income from the funds received under a prepaid contract.

(d) "Funds" means all money or other consideration actually received from a contract buyer by a contract seller or provider or an assignee from the contract buyer in connection with any aspect of the sale of a prepaid contract, including finance charges, but does not include late payment penalties, payments required to be made to a governmental agency at the time the contract is entered into, or a commission authorized by section 12(1).

(e) "Funeral services" means services customarily performed by a mortuary science licensee who is licensed pursuant to article 18 of the occupational code, 1980 PA 299, MCL 339.1801 to 339.1812. Funeral services include, but are not limited to, care of dead human remains, embalming, preparation of dead human remains for final disposition, professional services relating to a funeral or an alternative to a funeral or final disposition of dead human remains, transportation of dead human remains, limousine services, use of facilities or equipment for viewing dead human remains, visitation, memorial services, or services which are used in connection with a funeral or alternative to a funeral, coordinating or conducting funeral rites or ceremonies, cremations, and other services provided in connection with a funeral, alternative to a funeral, or final disposition of dead human remains.

(f) "Grave memorial" means a stone or other structure or item used for the purpose of memorializing a decedent and placed on or in proximity to a place of burial, interment, or entombment of a casket, catafalque, or vault or on or in proximity to a place of inurnment.

(g) "Guaranteed price contract" means a prepaid contract under which funds received are held pursuant to an escrow agreement. A guaranteed price contract has a guaranteed fixed price for which specified merchandise or funeral or cemetery services are required to be sold to or made available for a contract buyer or for a contract beneficiary, regardless of the cost or value of the merchandise or funeral or cemetery services at the time of death of the contract beneficiary. Under the guaranteed price contract, additional consideration is not charged for the originally contracted for merchandise or funeral or cemetery services at the time of delivery of the merchandise or funeral and cemetery services.

(h) "Income" means the money earned by the investment of the principal, including, but not limited to, interest, dividends, and gains or losses on the sale of, deposit of, or exchange of, property using invested principal amounts.

(i) "Interment" means the disposition of human remains by earth interment, entombment, or inurnment.

(j) "Mausoleum" means a building or other aboveground structure that is affixed to land and is a permanent repository for human remains.

(k) Subject to subsection (2), "merchandise" means both of the following:

(i) Cemetery burial vaults or other outside containers, grave memorials, and urns.

(ii) Items of merchandise sold or offered for sale or lease to consumers that will be used in connection with a funeral or an alternative to a funeral or the final disposition of human remains, including, but not limited to, caskets, combination units, and catafalques.

(2) Merchandise does not include land, interests in land, or interests in mausoleums or columbariums that are sold by a cemetery that complies with the endowment care trust fund requirements of the cemetery regulation act, 1968 PA 251, MCL 456.521 to 456.543.

History: 1986, Act 255, Eff. July 1, 1987 ;-- Am. 2004, Act 21, Eff. Jan. 1, 2005

Compiler's Notes: For transfer of powers and duties of certain occupational functions, boards, and commissions from the Department of Licensing and Regulation to the Department of Commerce, see E.R.O. No. 1991-9, compiled at MCL 338.3501 of the Michigan Compiled Laws.