

PUBLIC HEALTH CODE (EXCERPT)
Act 368 of 1978

333.21321 Bond required.

Sec. 21321.

(1) Before issuance of a license under this article, the owner, operator, or governing body of the applicant shall give a bond with a surety approved by the department. The bond shall insure the department for the benefit of the residents. The bond shall be conditioned that the applicant do all of the following:

- (a) Hold separately and in trust all resident funds deposited with the applicant.
- (b) Administer the funds on behalf of a resident in the manner directed by the depositor.
- (c) Render a true and complete account to the resident, the depositor, and the department when requested.
- (d) Account, on termination of the deposit, for all funds received, expended, and held on hand.

(2) The bond shall be in an amount equal to not less than 1-1/4 times the average balance of resident funds held during the prior year. The department may require an additional bond or permit filing of a bond in a lower amount, if the department determines that a change in the average balance has occurred or may occur. An applicant for a new license shall file a bond in an amount which the department estimates as 1-1/4 times the average amount of funds which the applicant, upon issuance of the license, is likely to hold during the first year of operation.

History: 1978, Act 368, Eff. Sept. 30, 1978

Popular Name: Act 368