

**SUBSTITUTE FOR
HOUSE BILL NO. 4488**

A bill to amend 1974 PA 381, entitled

"An act to encourage and contribute to the rehabilitation of former offenders and to assist them in the assumption of the responsibilities of citizenship; to prescribe the use of the term "good moral character" or similar term as a requirement for an occupational or professional license or when used as a requirement to establish or operate an organization or facility regulated by this state; and to provide administrative and judicial procedures to contest licensing board or agency rulings thereon,"

by amending the title and sections 1, 2, 3, 4, 5, 6, and 7 (MCL 338.41, 338.42, 338.43, 338.44, 338.45, 338.46, and 338.47), section 2 as amended by 2014 PA 361.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to encourage and contribute to the rehabilitation of



1 former offenders and to assist them in the assumption of the
 2 responsibilities of citizenship; to ~~prescribe the use of~~ **define** the
 3 term "good moral character" ~~or similar term~~ **and establish how good**
 4 **moral character is determined when used** as a requirement for an
 5 occupational or professional license or when used as a requirement
 6 to establish or operate an organization or facility regulated by
 7 this state; and to provide administrative and judicial procedures
 8 to contest licensing board or agency rulings ~~thereon~~. **concerning an**
 9 **individual's good moral character.**

10 Sec. 1. (1) The phrase "good moral character", ~~or words of~~
 11 ~~similar import~~, when used as a requirement for an occupational or
 12 professional license or when used as a requirement to establish or
 13 operate an organization or facility regulated by this state in ~~the~~
 14 ~~Michigan Compiled Laws~~ **a statute of this state** or administrative
 15 rules promulgated under ~~those laws shall be construed to mean a~~
 16 **statute of this state, means** the propensity on the part of ~~the~~
 17 ~~person~~ **an individual** to serve the public in the licensed area in a
 18 fair, honest, and open manner.

19 (2) As used in this act: ~~,"principal~~

20 (a) **"Felony" means a violation of a penal law of this state**
 21 **for which the offender may be punished by imprisonment for more**
 22 **than 1 year or an offense expressly designated by law as a felony.**

23 (b) **"License" includes a registration.**

24 (c) **"Licensing board or agency" means a principal department,**
 25 **or a board or agency within a principal department, that issues**
 26 **occupational or professional licenses.**

27 (d) **"Principal department" means ~~the~~ a department ~~which~~ that**
 28 **has jurisdiction over ~~the~~ a licensing board or agency. ~~issuing the~~**
 29 **license.**



1 Sec. 2. ~~(1) A judgment of guilt in a criminal prosecution or a~~
2 ~~judgment in a civil action shall not be used, in and of itself, by~~
3 ~~a licensing board or agency as proof of an individual's lack of~~
4 ~~good moral character. However, the licensing board or agency may~~
5 ~~use that judgment as evidence in the determination of his or her~~
6 ~~good moral character.~~

7 (1) Except as otherwise provided in subsection (5), a
8 licensing board or agency shall not consider a judgment in a civil
9 action against an individual as evidence of his or her lack of good
10 moral character.

11 (2) Except as otherwise provided in subsection (5), a
12 licensing board or agency shall not consider an individual's
13 criminal conviction, in and of itself, as conclusive proof of his
14 or her lack of good moral character. A licensing board or agency
15 may only consider an individual's criminal conviction as evidence
16 in the determination of his or her good moral character if the
17 licensing board or agency finds that all of the following are met:

18 (a) The individual's criminal record includes a conviction for
19 a felony.

20 (b) The type of felony of which the individual was convicted
21 is codified as a disqualifying offense in the applicable
22 occupational or professional licensing statute.

23 (c) The licensing board or agency concludes that the specific
24 offense of which the individual was convicted has a direct and
25 specific negative effect on his or her ability to perform the
26 duties authorized by the occupational or professional license.

27 (d) The licensing board or agency determines that the state's
28 interest in protecting public safety is superior to the
29 individual's right to pursue the occupation or profession, based on



1 clear and convincing evidence that all of the following are met:

2 (i) The specific offense of which the individual was convicted
3 is substantially related to the state's interest in protecting
4 public safety.

5 (ii) The individual, based on the nature of the offense for
6 which he or she was convicted and on any additional information
7 provided by the licensee under subsection (3), is more likely to
8 commit a subsequent offense because he or she has the occupational
9 or professional license than if he or she does not have the
10 occupational or professional license.

11 (iii) A subsequent offense committed with the aid of the
12 occupational or professional license will cause greater harm to the
13 public than it would if the individual did not have the
14 occupational or professional license.

15 (3) ~~(2) If a judgment of guilt in a criminal prosecution is~~
16 ~~used as evidence in the determination of an individual's good moral~~
17 ~~character under subsection (1), the A~~ licensing board or agency
18 shall also consider ~~his or her~~ **an individual's** certificate of
19 employability, if any, under section 34d of the corrections code of
20 1953, 1953 PA 232, MCL 791.234d, ~~as evidence in the determination.~~
21 **and any additional information about his or her current**
22 **circumstances, such as how long ago the offense occurred, whether**
23 **he or she completed the sentence for the offense, other evidence of**
24 **rehabilitation, testimonials, employment history, and employment**
25 **aspirations, as evidence in the determination of an individual's**
26 **good moral character under subsection (2).**

27 (4) ~~(3) If a judgment of guilt in a criminal proceeding or a~~
28 ~~judgment in a civil action~~ **criminal conviction** is used under
29 subsection ~~(1)~~ **(2)** as evidence of an individual's lack of good



1 moral character, the licensing board or agency shall notify the
 2 individual and he or she is permitted to rebut the evidence by
 3 showing that at the current time he or she has the ability to, and
 4 is likely to, serve the public in a fair, honest, and open manner,
 5 that he or she is rehabilitated, or that ~~the substance of the~~
 6 ~~former offense is not reasonably related to the occupation or~~
 7 ~~profession for which he or she is seeking a license.~~ **the criteria**
 8 **under subsection (2) have not been met.**

9 (5) This section and section 3(1) do not apply to a licensing
 10 board or agency when determining an individual's good moral
 11 character in connection with any of the following licenses:

12 (a) A certified public accountant under article 7 of the
 13 occupational code, 1980 PA 299, MCL 339.720 to 339.736.

14 (b) A real estate broker, associate real estate broker, or
 15 real estate salesperson under article 25 of the occupational code,
 16 1980 PA 299, MCL 339.2501 to 339.2518.

17 (c) A design professional under article 20 of the occupational
 18 code, 1980 PA 299, MCL 339.2001 to 339.2014. As used in this
 19 subdivision, "design professional" means that term as defined under
 20 section 104 of the construction lien act, 1980 PA 497, MCL
 21 570.1104.

22 Sec. 3. (1) ~~The following criminal records shall not be used,~~
 23 ~~examined, or requested by~~ **Except as otherwise provided in section**
 24 **2(5), a licensing board or agency shall not use, examine, or**
 25 **request any of the following criminal records in making a**
 26 **determination of good moral character** ~~when used for use~~ **as a**
 27 **requirement to establish or operate an organization or facility**
 28 **regulated by this state, or pursuant to** ~~for purposes of~~
 29 **occupational or professional licensure:**



1 (a) Records of an arrest **that is** not followed by a conviction.

2 (b) Records of a conviction ~~which~~**that** has been reversed or
3 vacated, including the arrest records relevant to that conviction.

4 (c) Records of an arrest or conviction for a misdemeanor or a
5 felony unrelated to the ~~person's~~**individual's** likelihood to serve
6 the public in a fair, honest, and open manner.

7 (d) Records of an arrest or conviction for a misdemeanor for
8 the conviction of which ~~a person~~**an individual** may not be
9 incarcerated in a jail or prison.

10 (2) A criminal record shall not be furnished to a licensing
11 board or agency except by the principal department ~~,~~ and shall be
12 furnished only after the director of the principal department or ~~a~~
13 ~~person~~**an individual** designated by the director has determined that
14 the information to be provided to the board or agency meets the
15 criteria set forth in this section.

16 (3) The director or ~~a person~~**an individual** designated by the
17 director of the principal department shall promulgate rules for
18 each licensing board or agency under that department's jurisdiction
19 ~~which~~**that** prescribe the offenses or categories of offenses ~~which~~
20 **that** the department considers indicate ~~a person~~**an individual** is
21 not likely to serve the public as a licensee **or registrant** in a
22 fair, honest, and open manner. Each licensing board or agency may
23 make recommendations to the director regarding the rules ~~to be~~
24 ~~promulgated.~~**described in this subsection.** The rules ~~shall~~**must** be
25 consistent with this act and promulgated ~~pursuant to Act No. 306 of~~
26 ~~the Public Acts of 1969, as amended, being sections 24.201 to~~
27 ~~24.315 of the Michigan Compiled Laws. Prior to~~ **under the**
28 **administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to**
29 **24.328. Before** the promulgation of the rules pertaining to a board



1 or agency, ~~all felonies shall be considered by the~~ a board or
 2 agency **shall consider all felonies** to be relevant to the ability or
 3 likelihood ~~the person~~ **that an individual** will serve the public in a
 4 fair, honest, and open manner.

5 Sec. 4. This act ~~shall not bar~~ **does not prohibit** the use by a
 6 licensing board or agency in its determination of ~~a person's~~
 7 ~~fitness,~~ **an individual's good moral character** of any other public
 8 record, ~~that is~~ not related to **his or her** arrest, ~~or~~ prosecution,
 9 **or conviction** or **the use** of any other source of unbiased and
 10 accurate information.

11 Sec. 5. ~~When a person is found to be unqualified~~ **If a**
 12 **licensing board or agency determines that an individual is not**
 13 **eligible** for a license because of a lack of good moral character,
 14 ~~or similar criteria,~~ ~~the person shall be furnished by the board or~~
 15 agency **shall provide the individual** with a statement to this
 16 effect. The statement shall contain a complete record of the
 17 evidence ~~upon~~ **on** which the determination was based. ~~The person~~
 18 ~~shall be entitled, as of right, to~~ **A licensing board or agency must**
 19 **provide an individual described in this subsection an opportunity**
 20 **for** a rehearing on the issue before the board **or agency** if he or
 21 she has relevant evidence ~~not previously considered,~~ regarding his
 22 or her qualifications **that was not previously considered.**

23 Sec. 6. ~~A person,~~ **An individual who is** aggrieved by a
 24 licensing **board or agency** ~~or board determination~~ regarding the
 25 ~~person's possession of~~ **his or her** good moral character, if
 26 unsatisfied by his or her administrative ~~appeal as provided in~~
 27 **remedy under** section 5, may bring an action in circuit court for a
 28 review of the record. If, in the opinion of the circuit court, the
 29 record does not disclose a lack of good moral character, as ~~defined~~



1 ~~in-determined under~~ this act, the court shall ~~so state and shall~~
2 order the board **or agency** to issue the license ~~, when the~~
3 **individual meets** all other licensing requirements. ~~are complied~~
4 ~~with.~~

5 Sec. 7. This act does not affect the power of a licensing
6 **board or** agency to discipline licensees under its jurisdiction for
7 prohibited acts of professional misconduct or dishonesty.

8 Enacting section 1. This amendatory act takes effect 90 days
9 after the date it is enacted into law.

