



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5893 (Substitute H-2 as reported without amendment)

Sponsor: Representative Leon Drolet

House Committee: Commerce

Senate Committee: Economic Development, Small Business and Regulatory Reform

### **CONTENT**

The bill would amend the Private Security Business and Security Alarm Act to do the following:

- Require the Department of Labor and Economic Growth and the Department of State Police to issue an initial or renewal license within 180 days after an applicant filed a "completed application" (as defined in the bill).
- Require the appropriate Department to notify an applicant of a deficiency in writing, or make the information electronically available, within 30 days after receiving an incomplete application.
- Toll the 180-day period if the Department sent notice of a deficiency, until it received the requested information.
- Require the Department to return the license fee and reduce the fee by 15% for the applicant's next renewal application, if any, if it failed to meet the deadline.
- Require each Department Director, beginning in 2005, to report annually by December 1 to the appropriate Senate and House committees regarding the Department's compliance with these provisions.

Under the Act, the Department of State Police is responsible for licensing private security police, and the Department of Labor and Economic Growth licenses private security guards, security alarm contractors, and private security firms.

MCL 338.1059 et al.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

According to the Department of Labor and Economic Growth, the total revenue collected for alarm system contractors was \$280,500 and for security guard businesses was \$201,500 in FY 2002-03. The amount by which this revenue would be reduced would depend on the number of licenses not processed in the given time frame. The bill also would require a report that would include new or additional information not currently collected. The database adjustment needed to accommodate this requirement could increase information technology costs.

The Department of State Police reports that revenue collected for licensing private security police totaled \$9,700 in FY 2002-03.

Date Completed: 7-7-04

Fiscal Analyst: Maria Tyszkiewicz  
Bruce R. Baker

[floor\hb5893](#)

Analysis available @ <http://www.michiganlegislature.org>

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.