

**SUBSTITUTE FOR
SENATE BILL NO. 1222**

A bill to amend 1965 PA 285, entitled
"Private detective license act,"
by amending sections 9, 11, and 26 (MCL 338.829, 338.831, and
338.846), as amended by 2002 PA 474.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The department, when satisfied of the
2 competency and integrity of the applicant, or if the applicant is
3 a firm, partnership, company, limited liability company, or
4 corporation, of its individual members or officers, shall issue
5 to the applicant a license upon the applicant's paying to the
6 department an application processing fee of \$150.00 and an
7 initial license fee of \$600.00. The applicant shall execute,
8 deliver, and file with the department a bond in the sum of
9 \$10,000.00, conditioned for the faithful and honest conduct of
10 the business by the applicant, which bond shall be approved by

1 the department. The license is valid for 3 years but is subject
2 to suspension or revocation at all times by the department for
3 cause shown. The bonds shall be taken in the name of the people
4 of the state, and any person injured by the willful, malicious,
5 and wrongful act of the principal may bring an action on the bond
6 or insurance in his or her own name to recover damages suffered
7 by reason of such willful, malicious, and wrongful act. In lieu
8 of a bond, the applicant may furnish a policy of insurance issued
9 by an insurer authorized to do business in this state naming the
10 licensee and the state as co-insured in the amount of \$10,000.00
11 for property damages, \$100,000.00 for injury or death of 1
12 person, and \$200,000.00 for injuries to or deaths of more than 1
13 person arising out of the operation of the licensed activity.
14 The license shall be in a form to be prescribed by the department
15 and shall specify the full name of the applicant, the location of
16 the principal office or place of business and the location of the
17 bureau, agency, subagency, office or branch office for which the
18 license is issued, the expiration date, and the name of the
19 person filing the statement required by this act upon which the
20 license is issued.

21 (2) A licensee desiring to open a branch office or subagency
22 shall receive a license for that branch or subagency upon payment
23 to the department of an additional fee of \$125.00 for each
24 additional license. The additional license shall be posted in a
25 conspicuous place in the branch office or subagency and expires
26 on the date of the initial license.

27 (3) If the license is suspended or revoked for any cause, the

1 department shall not refund the license or application processing
2 fee or any part of the license or application processing fee.

3 ~~(4) The changes regarding license and application fees~~
4 ~~contained in subsection (1) do not require a person, firm,~~
5 ~~partnership, company, limited liability company, or corporation~~
6 ~~holding a license under this act on the effective date of the~~
7 ~~amendatory act that added this subsection to pay the application~~
8 ~~processing and initial license fee imposed by the amendatory act~~
9 ~~that added this subsection. A person, firm, partnership,~~
10 ~~company, limited liability company, or corporation holding a~~
11 ~~license on the effective date of the amendatory act that added~~
12 ~~this subsection is only obligated to pay the renewal fee~~
13 ~~described in section 26(1).~~

14 (4) Beginning the effective date of the amendatory act that
15 added this subsection, the department shall issue an initial or
16 renewal license not later than 90 days after the applicant files
17 a completed application. Receipt of the application is
18 considered the date the application is received by any agency or
19 department of the state of Michigan. If the application is
20 considered incomplete by the department, the department shall
21 notify the applicant in writing, or make information
22 electronically available, within 30 days after receipt of the
23 incomplete application, describing the deficiency and requesting
24 the additional information. The 90-day period is tolled upon
25 notification by the department of a deficiency until the date the
26 requested information is received by the department. The
27 determination of the completeness of an application does not

1 operate as an approval of the application for the license and
2 does not confer eligibility of an applicant determined otherwise
3 ineligible for issuance of a license.

4 (5) If the department fails to issue or deny a license within
5 the time required by this section, the department shall return
6 the license fee and shall reduce the license fee for the
7 applicant's next renewal application, if any, by 15%. The
8 failure to issue a license within the time required under this
9 section does not allow the department to otherwise delay the
10 processing of the application, and that application, upon
11 completion, shall be placed in sequence with other completed
12 applications received at that same time. The department shall
13 not discriminate against an applicant in the processing of the
14 application based upon the fact that the license fee was refunded
15 or discounted under this subsection.

16 (6) Beginning October 1, 2005, the director of the department
17 shall submit a report by December 1 of each year to the standing
18 committees and appropriations subcommittees of the senate and
19 house of representatives concerned with occupational issues. The
20 director shall include all of the following information in the
21 report concerning the preceding fiscal year:

22 (a) The number of initial and renewal applications the
23 department received and completed within the 90-day time period
24 described in subsection (4).

25 (b) The number of applications denied.

26 (c) The number of applicants not issued a license within the
27 90-day time period and the amount of money returned to licensees

1 and registrants under subsection (5).

2 (7) As used in this section and section 26, "completed
3 application" means an application complete on its face and
4 submitted with any applicable licensing fees as well as any other
5 information, records, approval, security, or similar item
6 required by law or rule from a local unit of government, a
7 federal agency, or a private entity but not from another
8 department or agency of the state of Michigan.

9 Sec. 11. The department shall not refund a license fee
10 unless a showing is made of mistake, inadvertence, ~~or~~ error in
11 the collection of the fee, **or noncompliance with the time periods**
12 **described in section 9(4).**

13 Sec. 26. (1) A license granted under this act may be
14 renewed upon application and the payment of a renewal fee of
15 \$300.00, **unless reduced under section 9(5),** and filing of a
16 renewal surety bond or liability insurance policy in the amount
17 equivalent to that specified in section 9.

18 (2) A renewal license shall be dated as of the expiration
19 date of the previously existing license. For the renewal of a
20 license, the licensee shall submit an application in such form as
21 prescribed by the department. Upon receipt of a completed
22 application, payment of the renewal **fee subject to section 9(5),**
23 and proof acceptable to the department of bond or insurance, the
24 department shall renew a license. The department may defer the
25 renewal if there are uninvestigated complaints then outstanding
26 against the licensee or if there is a criminal complaint then
27 pending against the licensee.