

Act No. 270
Public Acts of 2004
Approved by the Governor
July 22, 2004
Filed with the Secretary of State
July 23, 2004
EFFECTIVE DATE: July 23, 2004

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Reps. Drolet, Richardville, Shackleton, Palsrok, Stahl, Voorhees, Amos, Taub, LaJoy, Meyer, Garfield, Nitz, DeRoche, Milosch, Pumford, Hummel, Koetje, Steil, Bisbee, Hune, Tabor, Shaffer, DeRossett, Ehardt, Gaffney, Newell, Caswell, Walker, Moolenaar, Acciavatti, Kooiman, Huizenga, Hoogendyk, Caul, Nofs and Sheen

ENROLLED HOUSE BILL No. 5893

AN ACT to amend 1968 PA 330, entitled "An act to license and regulate private security guards, private security police, private security guard agencies and security alarm systems servicing, installing, operating, and monitoring; to provide penalties for violations; to protect the general public against unauthorized, unlicensed and unethical operations by individuals engaged in private security activity or security alarm systems sales, installations, service, maintenance, and operations; to establish minimum qualifications for individuals as well as private agencies engaged in the security business and security alarm systems and operations; to impose certain fees; to create certain funds; and to prescribe the powers and duties of the departments of state police and consumer and industry services," by amending sections 9, 11, and 25 (MCL 338.1059, 338.1061, and 338.1075), sections 9 and 25 as amended by 2002 PA 473 and section 11 as amended by 2000 PA 411.

The People of the State of Michigan enact:

Sec. 9. (1) The department, when satisfied of the good character, competence, and integrity of the applicant, or if the applicant is a firm, company, partnership, limited liability company, or corporation, of its individual members or officers, shall issue to the applicant a license. Beginning October 1, 2004, the issuance of the license is conditioned upon the applicant's paying to the department for each license \$200.00 if a sole proprietorship, or \$300.00 if a private security guard firm, company, partnership, limited liability company, or corporation, or \$500.00 if a security alarm system contractor, and upon the applicant's executing, delivering, and filing with the department a bond in the sum of \$25,000.00. Beginning October 1, 2002 and until October 1, 2004, the issuance of the license is conditioned upon the applicant's paying to the department for each license \$1,000.00 if a sole proprietorship, or \$1,500.00 if a private security firm, company, partnership, limited liability company, or corporation, or \$1,500.00 if a security alarm system contractor, and upon the applicant's executing, delivering, and filing with the department a bond of \$25,000.00. The bond shall be conditioned upon the faithful and honest conduct of the business by the applicant and shall be approved by the department. In lieu of a bond, the applicant may furnish a policy of insurance issued by an insurer authorized to do business in this state naming the licensee and the state as coinsureds in the amount of \$25,000.00 for property damages, \$100,000.00 for injury to or death of 1 person, and \$200,000.00 for injuries to or deaths of more than 1 person arising out of the operation of the licensed activity. The license is valid for 2 years but is revocable at all times by the department for cause shown. The bonds shall be taken in the name of the people of the state and a person injured by the willful, malicious, and wrongful act of the licensee or any of his or her agents or employees may bring an action on the bond or insurance policy in his or her own name to recover damages suffered by reason of the wrongful act. The license certificate shall be in a form to be prescribed by the department. The fee changes effective October 1, 2002 until October 1,

2004 in this section and section 25 are considered necessary to cover the actual costs of the licensure program under this act and shall only be used for administration of that licensure program. The department and the department of state police shall each issue a report to the appropriations subcommittees having jurisdiction over their department not later than April 1, 2003, on whether the fee changes in this section and section 25 are adequate to support the licensure program under this act.

(2) If a licensee desires to open a branch office, he or she may receive a license for that branch following approval as required in section 7 and payment to the department of the following:

(a) Beginning October 1, 2004, an additional fee of \$50.00 for each private security guard branch office license and \$100.00 for each security alarm system contractor branch office license.

(b) Beginning October 1, 2002 and until October 1, 2004, an additional fee of \$250.00 for each private security branch office license and \$500.00 for each security alarm system contractor branch office license.

(3) The additional license issued under subsection (2) shall be posted in a conspicuous place in the branch office and shall expire on the same date as the initial license.

(4) Subject to subsection (5), if the license is denied, revoked, or suspended for cause, no refund shall be made of the license fees or a part thereof.

(5) Beginning the effective date of the amendatory act that added this subsection, the department shall issue an initial or renewal license not later than 180 days after the applicant files a completed application. Receipt of the application is considered the date the application is received by any agency or department of the state of Michigan. If the application is considered incomplete by the department, the department shall notify the applicant in writing, or make the information electronically available, within 30 days after receipt of the incomplete application, describing the deficiency and requesting the additional information. The 180-day period is tolled upon notification by the department of a deficiency until the date the requested information is received by the department. The determination of the completeness of an application does not operate as an approval of the application for the license and does not confer eligibility of an applicant determined otherwise ineligible for issuance of a license.

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

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

(a) The number of initial and renewal applications the department received and completed within the 180-day time period described in subsection (5).

(b) The number of applications denied.

(c) The number of applicants not issued a license within the 180-day time period and the amount of money returned to licensees and registrants under subsection (6).

(8) The fees collected by the department under this section shall be deposited into the security business fund created in subsection (9).

(9) The security business fund is created within the state treasury. The department shall deposit all license fees collected under this act into the fund. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year shall remain in the fund and be available for appropriation and expenditure by the department in subsequent fiscal years. The money in the fund shall not lapse to the general fund. The department shall expend money from the fund, upon appropriation, only for enforcement and administration of this act.

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

Sec. 11. The department shall not refund a license or application fee unless a showing is made of mistake, inadvertence, error in the collection of the fee, or noncompliance with the time periods described in section 9(5).

Sec. 25. (1) Subject to section 9(5), a license granted under this act may be renewed by the department upon application by the licensee, filing a renewal surety bond in the amount specified in section 9, and the payment of the following:

(a) Beginning October 1, 2004, a renewal fee of \$100.00 if a sole proprietorship, \$150.00 if a private security guard firm, company, partnership, limited liability company, or corporation, or \$250.00 if a security alarm system contractor.

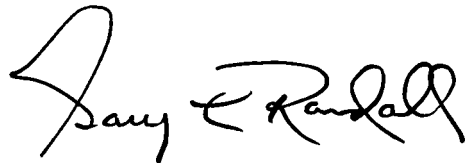
(b) Beginning October 1, 2002 and until October 1, 2004, a renewal fee of \$1,000.00 if a sole proprietorship, \$1,500.00 if a private security guard firm, company, partnership, limited liability company, or corporation, or \$1,500.00 if a security alarm system contractor.

(2) A renewal license shall be dated as of the expiration date of the previously existing license. For the renewal of a license, the licensee shall submit an application in such form provided by the department. The department may defer the renewal of license if there is an uninvestigated outstanding criminal complaint pending against the licensee or a criminal case pending in any court against the licensee.

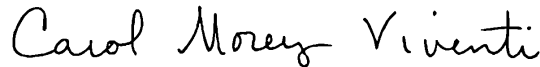
(3) A person who fails to renew a license on or before the expiration date shall not engage in activities regulated by this act. A person who fails to renew a license on or before the expiration date may, within 30 days after the expiration date, renew the license by payment of the required license fee and a late renewal fee of \$25.00. An applicant who fails to renew within the 30-day period must reapply for a license under section 7.

(4) The fees collected by the department under this section shall be deposited into the security business fund created in section 9(9).

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

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Governor