

Act No. 128  
Public Acts of 2014  
Approved by the Governor  
May 22, 2014  
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**STATE OF MICHIGAN  
97TH LEGISLATURE  
REGULAR SESSION OF 2014**

**Introduced by Senators Green, Moolenaar, Colbeck, Jansen, Booher, Marleau, Schuitmaker, Walker, Emmons, Nofs and Hansen**

# **ENROLLED SENATE BILL No. 672**

AN ACT to amend 1968 PA 330, entitled "An act to license and regulate private security guards, private security police, private security guard agencies, private college security forces, 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 certain powers and duties of certain private colleges and certain state departments, agencies, and officers," by amending sections 6 and 9 (MCL 338.1056 and 338.1059), section 6 as amended by 2012 PA 419 and section 9 as amended by 2010 PA 68.

*The People of the State of Michigan enact:*

Sec. 6. (1) The department shall issue a license to conduct business as a security alarm system contractor or a private security guard, private security police, or to a private security guard business, if it is satisfied that the applicant, if the applicant is an individual, or the individual who is the sole or principal license holder of the applicant if the applicant is not an individual, meets all of the following qualifications:

- (a) Is not less than 21 years of age. However, this subdivision does not apply to an applicant described in subdivision (g)(v).
- (b) Has a high school education or its equivalent.
- (c) If the applicant's license is issued after March 28, 2001, has not been convicted of a felony.
- (d) If the applicant's license was issued on or before March 28, 2001, was not convicted of a felony in the 5-year period preceding the date of application.

(e) Was not convicted of an offense listed in section 10(1)(c) in the 5-year period preceding the date of application.

(f) If he or she served in the armed forces, was separated from that service, and provides a form DD214, DD215, or any other form satisfactory to the department that demonstrates he or she was separated from that service, with an honorable character of service or under honorable conditions (general) character of service.

(g) If the applicant is applying for a private security guard or agency license, meets any of the following:

(i) Was engaged in the private security guard or agency business on his or her own account in another state for a period of at least 3 years.

(ii) Was engaged in the private security guard or agency business for a period of at least 4 years as an employee of the holder of a certificate of authority to conduct a private security guard or agency business and has experience reasonably equivalent to at least 4 years of full-time guard work in a supervisory capacity with rank above that of patrolman.

(iii) Was employed in law enforcement as a certified police officer on a full-time basis for at least 4 years for a city, county, or state government or for the United States government.

(iv) Was engaged in the private security guard or agency business as an employee or on his or her own account or as a security administrator in private business for at least 2 years on a full-time basis, and is a graduate with a baccalaureate degree or its equivalent in the field of police administration or industrial security from an accredited college or university.

(v) Served in the armed forces; while serving in the armed forces, acted as a military police officer or in an equivalent job classification for at least 2 years; was separated from that service, and provides a form DD214, DD215, or any other form satisfactory to the department that demonstrates he or she was separated from that service, with an honorable character of service or under honorable conditions (general) character of service; and has, and provides with his or her application an affidavit signed by a commanding officer, supervisor, or military superior with direct knowledge of the applicant's service that he or she has, entry-level experience in or basic knowledge of each of the following:

(A) Enforcing rules, regulations, and guidelines.

(B) Providing security and physical protection.

(C) Area and site security operations.

(D) Overseeing prisoners and correctional facilities.

(E) Reconnaissance and surveillance.

(h) If the applicant is applying for a security alarm system contractor license, has been lawfully engaged in either or both of the following:

(i) A security alarm system contractor business on his or her own account for a period of not less than 3 years.

(ii) A security alarm system contractor business for a period of not less than 4 years as an employee of the holder of a certificate of authority to conduct a security alarm system contractor business, and has experience reasonably equivalent to at least 4 years of full-time work in a supervisory capacity or passes a written exam administered by the department designed to measure his or her knowledge and training in security alarm systems.

(i) Provided the department the bond or surety required under section 9.

(j) Has not been adjudged insane, unless he or she has been adjudged restored to sanity by court order.

(k) Is not subject to any outstanding warrants for his or her arrest.

(2) If a person now doing or seeking to do business in this state is applying for a license under this section, the resident manager shall comply with the applicable qualifications of this section.

(3) As used in this section and section 9, "armed forces" means that term as defined in section 2 of the veteran right to employment services act, 1994 PA 39, MCL 35.1092.

Sec. 9. (1) The department shall issue a license to an applicant when the requirements of this act are met and the department is satisfied of the good character, competence, and integrity of the applicant, if the applicant is an individual, or if the applicant is an entity other than a private college or university, of its individual members or officers, or, if the applicant is a private college or university, of its governing board.

(2) A license issued under this act is valid for 2 years, but the department may revoke a license at any time for good cause shown. The department shall prescribe the form of a license certificate.

(3) The department shall not issue a license under this act unless the applicant pays the department a fee of \$500.00 if the applicant is a security alarm system contractor, or for any other applicant, 1 of the following fees, as appropriate:

(a) If the applicant is an individual or sole proprietorship, \$200.00.

(b) If the applicant is an entity, \$300.00.

(4) The department shall not issue a license under this act unless the applicant provides the department a bond in the principal amount of \$25,000.00. The bond shall be conditioned on the faithful and honest conduct of the business by

the applicant and approved by the department. In lieu of a bond, an applicant may furnish a policy of insurance issued by an insurer authorized to do business in this state that names 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 bond shall be payable for the benefit of the people of the state and a person injured by the willful, malicious, and wrongful act of the licensee or any agents or employees of a licensee 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.

(5) If a licensee intends to open 1 or more branch offices, the licensees may receive a license for each branch if the branch license is approved under section 7 and the licensee pays the department 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.

(6) A licensee shall post an additional license issued under subsection (5) in a conspicuous place in the branch office, and each additional license expires on the same date as the initial license.

(7) Subject to subsection (8), if a license is denied, revoked, or suspended for cause, the department shall not refund the license fees or any part of the license fees.

(8) Beginning July 23, 2004, the department shall issue or deny an application for an initial or renewal license within 180 days after the applicant files a completed application. An application is considered received on the date the application is received by any agency or department of this state. If an 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 the department receives the incomplete application, describing the deficiency and requesting the additional information. A 180-day period described in this subsection is tolled from the date the department notifies the applicant 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.

(9) If the department fails to issue or deny a license in the time required under 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 in the time required under this section does not allow the department to otherwise delay the processing of an application, and on completion, the department shall place the application in sequence with any other completed applications received at that same time. The department shall not discriminate against an applicant in processing an application based on the fact that the license fee was refunded or discounted under this subsection.

(10) 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 (8).

(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 (8).

(11) The fees collected by the department under this section shall be deposited into the security business fund created in subsection (12).

(12) The security business fund is created in 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, on appropriation, only for enforcement and administration of this act. The department is the administrator of the fund for auditing purposes.

(13) The department, or the department of state police if section 29 applies, shall waive an initial license fee required under this section, or any application processing fee charged by the department for an initial license, if the applicant is an individual who served in the armed forces and he or she provides to the department a form DD214, form DD215, or any other form that is satisfactory to the department that demonstrates he or she was separated from that service with an honorable character of service or under honorable conditions (general) character of service.

(14) As used in this section, "completed application" means an application that is complete on its face and submitted with any applicable licensing fees and 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 person but not from another department or agency of this state.

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

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Gay E. Randall*

Clerk of the House of Representatives

Approved .....

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Governor