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BILL



ANALYSIS

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Senate Bill 189 (as introduced 2-23-17)

Sponsor: Senator Bert Johnson

Committee: Regulatory Reform

Date Completed: 3-22-17

CONTENT

The bill would amend the State License Fee Act to establish a \$250 application processing fee and a \$500 annual license fee for a person licensed or seeking licensure as a security guard agency under Article 14A of the Occupational Code.

(Article 14A would be created by Senate Bill 186 to provide for the licensure of security guard agencies, and establish criteria for their employees.)

The bill would take effect on January 1, 2018.

The bill is tie-barred to Senate Bills 186, 187, and 188 and House Bills 4273 and 4274.

(Senate Bill 187 would amend the Private Security Business and Security Alarm Act to remove the regulation of private security agencies and security guards from the Act, and make other changes. Senate Bill 188 would amend the Security Alarm Systems Act to exempt certain security guard agencies licensed under Article 14A of the Occupational Code from the Act's definition of "system provider". House Bill 4273 would amend the Occupational Code to require a licensee under Article 14A that employed or engaged an individual to provide services as a security guard to ensure that certain training requirements were met. House Bill 4274 would amend the Code to specify subjects that the classroom training under Article 14A would have to include.)

Proposed MCL 338.2233

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have a positive fiscal impact on the Department of Licensing and Regulatory Affairs, and no fiscal impact on local units of government. Senate Bill 189 would create a new fee structure for the licensure of security guard agencies as proposed by the bills tie-barred to Senate Bill 189.

According to license data obtained from LARA, 305 agencies are licensed. Assuming all agencies are firms, rather than individuals, the revenue generated under the current fee structure is approximately \$45,750. Under the bill, the new fee structure would generate approximately \$152,500 annually. This revenue would be credited to the Licensing and Regulation Fund.

Fiscal Analyst: Josh Sefton

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