

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5042**

A bill to amend 1973 PA 116, entitled
"An act to provide for the protection of children through the
licensing and regulation of child care organizations; to provide
for the establishment of standards of care for child care
organizations; to prescribe powers and duties of certain
departments of this state and adoption facilitators; to provide
penalties; and to repeal acts and parts of acts,"
by amending sections 1, 5c, and 5m (MCL 722.111, 722.115c, and
722.115m), section 1 as amended by 2022 PA 70, section 5c as
amended by 2017 PA 256, and section 5m as added by 2017 PA 258.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1** Sec. 1. **(1)** As used in this act:
2 (a) "Child care staff member" means an individual who is ~~18~~**16**
3 years of age or older to whom 1 or more of the following

1 ~~applies~~**apply:**

2 (i) The individual is employed by a child care center, group
3 child care home, or family child care home for compensation,
4 including a contract employee or a self-employed individual.

5 (ii) An individual whose activities involve the unsupervised
6 care or supervision of children for a child care center, group
7 child care home, or family child care home.

8 (iii) An individual who has unsupervised access to children who
9 are cared for or supervised by a child care center, group child
10 care home, or family child care home.

11 (iv) An individual who acts in the role of a licensee designee
12 or program director.

13 (b) "Child care organization" means a governmental or
14 nongovernmental organization having as its principal function
15 receiving minor children for care, maintenance, training, and
16 supervision, notwithstanding that educational instruction may be
17 given. Child care organization includes organizations commonly
18 described as child caring institutions, child placing agencies,
19 children's camps, children's campsites, children's therapeutic
20 group homes, child care centers, day care centers, nursery schools,
21 parent cooperative preschools, foster homes, group homes, or child
22 care homes. Child care organization does not include a governmental
23 or nongovernmental organization that does either of the following:

24 (i) Provides care exclusively to minors who have been
25 emancipated by court order under section 4(3) of 1968 PA 293, MCL
26 722.4.

27 (ii) Provides care exclusively to persons who are 18 years of
28 age or older and to minors who have been emancipated by court order
29 under section 4(3) of 1968 PA 293, MCL 722.4, at the same location.

(c) "Child caring institution" means a child care facility that is organized for the purpose of receiving minor children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the child caring institution for that purpose, and operates throughout the year. An educational program may be provided, but the educational program shall not be the primary purpose of the facility. Child caring institution includes a maternity home for the care of unmarried mothers who are minors and an agency group home, that is described as a small child caring institution, owned, leased, or rented by a licensed agency providing care for more than 4 but less than 13 minor children. Child caring institution also includes an institution for developmentally disabled or emotionally disturbed minor children. Child caring institution does not include a hospital, nursing home, or home for the aged licensed under article 17 of the public health code, 1978 PA 368, MCL 333.20101 to 333.22260, a boarding school licensed under section 1335 of the revised school code, 1976 PA 451, MCL 380.1335, a hospital or facility operated by the state or licensed under the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106, or an adult foster care family home or an adult foster care small group home licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737, in which a child has been placed under section 5(6).

(d) "Child caring institution staff member" means an individual who is 18 years of age or older to whom 1 or more of the following ~~applies~~**apply**:

(i) The individual is employed by a child caring institution for compensation, including an adult who does not work directly with children.

1 (ii) The individual is a contract employee or self-employed
2 individual with a child caring institution.

3 (iii) The individual is an intern or other individual who
4 provides specific services under the rules promulgated under this
5 act.

6 (e) "Child placing agency" means a governmental organization
7 or an agency organized under the nonprofit corporation act, 1982 PA
8 162, MCL 450.2101 to 450.3192, for the purpose of receiving
9 children for placement in private family homes for foster care or
10 for adoption. The function of a child placing agency may include
11 investigating applicants for adoption and investigating and
12 certifying foster family homes and foster family group homes as
13 provided in this act. The function of a child placing agency may
14 also include supervising children who are at least 16 but less than
15 21 years of age and who are living in unlicensed residences as
16 provided in section 5(4).

17 (f) "Children's camp" means a residential, day, troop, or
18 travel camp that provides care and supervision and is conducted in
19 a natural environment for more than 4 children, apart from the
20 children's parents, relatives, or legal guardians, for 5 or more
21 days in a 14-day period.

22 (g) "Children's campsite" means the outdoor setting where a
23 children's residential or day camp is located.

24 (h) "Children's therapeutic group home" means a child caring
25 institution receiving not more than 6 minor children who are
26 diagnosed with a developmental disability as defined in section
27 100a of the mental health code, 1974 PA 258, MCL 330.1100a, or a
28 serious emotional disturbance as defined in section 100d of the
29 mental health code, 1974 PA 258, MCL 330.1100d, and that meets all

1 of the following requirements:

2 (i) Provides care, maintenance, and supervision, usually on a
3 24-hour basis.

4 (ii) Complies with the rules for child caring institutions,
5 except that behavior management rooms, personal restraint,
6 mechanical restraint, or seclusion, which is allowed in certain
7 circumstances under licensing rules, are prohibited in a children's
8 therapeutic group home.

9 (iii) Is not a private home.

10 (iv) Is not located on a campus with other licensed facilities.

11 (i) "Child care center" means a facility, other than a private
12 residence, receiving 1 or more children under 13 years of age for
13 care for periods of less than 24 hours a day, where the parents or
14 guardians are not immediately available to the child. Child care
15 center includes a facility that provides care for not less than 2
16 consecutive weeks, regardless of the number of hours of care per
17 day. The facility is generally described as a child care center,
18 day care center, day nursery, nursery school, parent cooperative
19 preschool, play group, before- or after-school program, or drop-in
20 center. Child care center does not include any of the following:

21 (i) A Sunday school, a vacation bible school, or a religious
22 instructional class that is conducted by a religious organization
23 where children are attending for not more than 3 hours per day for
24 an indefinite period or for not more than 8 hours per day for a
25 period not to exceed 4 weeks during a 12-month period.

26 (ii) A facility operated by a religious organization where
27 children are in the religious organization's care for not more than
28 3 hours while persons responsible for the children are attending
29 religious services.

1 (iii) A program that is primarily supervised, school-age-child-
2 focused training in a specific subject, including, but not limited
3 to, dancing, drama, music, or religion. This exclusion applies only
4 to the time a child is involved in supervised, school-age-child-
5 focused training.

6 (iv) A program that is primarily an incident of group athletic
7 or social activities for school-age children sponsored by or under
8 the supervision of an organized club or hobby group, including, but
9 not limited to, youth clubs, scouting, and school-age recreational
10 or supplementary education programs. This exclusion applies only to
11 the time the school-age child is engaged in the group athletic or
12 social activities and if the school-age child can come and go at
13 will.

14 (v) A program that primarily provides therapeutic services to
15 a child.

16 (j) "Conviction" means a final conviction, the payment of a
17 fine, a plea of guilty or nolo contendere if accepted by the court,
18 a finding of guilt for a criminal law violation or a juvenile
19 adjudication or disposition by the juvenile division of probate
20 court or family division of circuit court for a violation that if
21 committed by an adult would be a crime, or a conviction in a tribal
22 court or a military court.

23 (k) "Criminal history check" means a fingerprint-based
24 criminal history record information background check through the
25 department of state police and the Federal Bureau of Investigation.

26 (l) "Criminal history record information" means that term as
27 defined in section 1a of 1925 PA 289, MCL 28.241a.

28 (m) "Department" means the department of health and human
29 services and the department of licensing and regulatory affairs or

1 a successor agency or department responsible for licensure under
2 this act. The department of licensing and regulatory affairs is
3 responsible for licensing and regulatory matters for child care
4 centers, group child care homes, family child care homes,
5 children's camps, and children's campsites. The department of
6 health and human services is responsible for licensing and
7 regulatory matters for child caring institutions, child placing
8 agencies, children's therapeutic group homes, foster family homes,
9 and foster family group homes.

10 (n) "Eligible" means that the individual obtained the checks
11 and clearances described in sections 5n and 5q and is considered
12 appropriate to obtain a license, to be a member of the household of
13 a group child care home or family child care home, or to be a child
14 care staff member.

15 (o) "Ineligible" means that the individual obtained the checks
16 and clearances as described in sections 5n and 5q and is not
17 considered appropriate to obtain a license, to be a member of the
18 household of a group child care home or family child care home, or
19 to be a child care staff member due to violation of section 5n, 5q,
20 or 5r.

21 (p) **"Increased capacity" means 1 additional child added to the**
22 **total number of minor children received for care and supervision in**
23 **a family child care home or 2 additional children added to the**
24 **total number of minor children received for care and supervision in**
25 **a group child care home.**

26 (q) ~~(p)~~ "Private home" means a private residence in which the
27 licensee permanently resides, which residency is not contingent
28 upon caring for children or employment by a child placing agency.
29 Private home includes a full-time foster family home, a full-time

1 foster family group home, a group child care home, or a family
2 child care home, as follows:

3 (i) "Foster family home" means the private home of an
4 individual who is licensed to provide 24-hour care for 1 but not
5 more than 4 minor children who are placed away from their parent,
6 legal guardian, or legal custodian in foster care. The licensed
7 individual providing care is required to comply with the reasonable
8 and prudent parenting standard as defined in section 1 of chapter
9 XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.1.

10 (ii) "Foster family group home" means the private home of an
11 individual who has been licensed by the department to provide 24-
12 hour care for more than 4 but fewer than 7 minor children who are
13 placed away from their parent, legal guardian, or legal custodian
14 in foster care. The licensed individual providing care is required
15 to comply with the reasonable and prudent parenting standard as
16 defined in section 1 of chapter XIIIA of the probate code of 1939,
17 1939 PA 288, MCL 712A.1.

18 (iii) "Family child care home" means a private home in which 1
19 but fewer than 7 minor children are received for care and
20 supervision for compensation for periods of less than 24 hours a
21 day, unattended by a parent or legal guardian, except children
22 related to an adult member of the household by blood, marriage, or
23 adoption. Family child care home includes a home in which care is
24 given to an unrelated minor child for more than 4 weeks during a
25 calendar year. A family child care home does not include an
26 individual providing babysitting services for another individual.
27 As used in this subparagraph, "providing babysitting services"
28 means caring for a child on behalf of the child's parent or
29 guardian if the annual compensation for providing those services

does not equal or exceed \$600.00 or an amount that would according to the internal revenue code of 1986 obligate the child's parent or guardian to provide a form 1099-MISC to the individual for compensation paid during the calendar year for those services.

Family child care home includes a private home with increased capacity.

(iv) "Group child care home" means a private home in which more than 6 but not more than 12 minor children are given care and supervision for periods of less than 24 hours a day unattended by a parent or legal guardian, except children related to an adult member of the household by blood, marriage, or adoption. Group child care home includes a home in which care is given to an unrelated minor child for more than 4 weeks during a calendar year.

Group child care home includes a private home with increased capacity.

(r) ~~(q)~~ "Legal custodian" means an individual who is at least 18 years of age in whose care a minor child remains or is placed after a court makes a finding under section 13a(5) of chapter XIIA of the probate code of 1939, 1939 PA 288, MCL 712A.13a.

(s) "Legal entity" means a sole proprietorship, partnership, corporation, limited liability company, or any other entity.

(t) ~~(r)~~ "Licensee" means a person, ~~partnership, firm, corporation, association, nongovernmental organization, or local or state government organization~~ **legal entity organized under a law of this state, state or local government, or trust** that has been issued a license under this act to operate a child care organization.

(u) ~~(s)~~ "Listed offense" means that term as defined in section 2 of the sex offenders registration act, 1994 PA 295, MCL 28.722.

1 **(v)** ~~(t)~~—"Member of the household" means any individual who
 2 resides in a family child care home, group child care home, foster
 3 family home, or foster family group home on an ongoing basis, or
 4 who has a recurrent presence in the home, including, but not
 5 limited to, overnight stays. For foster family homes and foster
 6 family group homes, a member of the household does not include a
 7 foster child. For group child care homes and family child care
 8 homes, a member of the household does not include a child to whom
 9 child care is being provided.

10 **(w)** ~~(u)~~—"Original license" means a license issued to a child
 11 care organization during the first 6 months of operation indicating
 12 that the organization is in compliance with all rules promulgated
 13 by the department under this act.

14 **(x)** ~~(v)~~—"Provisional license" means a license issued to a
 15 child care organization that is temporarily unable to conform to
 16 the rules promulgated under this act.

17 **(y)** ~~(w)~~—"Qualified residential treatment program" or "QRTP"
 18 means a program within a child caring institution to which all of
 19 the following apply:

20 (i) The program has a trauma-informed treatment model,
 21 evidenced by the inclusion of trauma awareness, knowledge, and
 22 skills into the program's culture, practices, and policies.

23 (ii) The program has registered or licensed nursing and other
 24 licensed clinical staff on-site or available 24 hours a day, 7 days
 25 a week, who provide care in the scope of their practice as provided
 26 in parts 170, 172, 181, 182, 182A, and 185 of the public health
 27 code, 1978 PA 368, MCL 333.17001 to 333.17097, 333.17201 to
 28 333.17242, 333.18101 to 333.18117, 333.18201 to 333.18237,
 29 333.18251 to 333.18267, and 333.18501 to 333.18518.

1 (iii) The program integrates families into treatment, including
2 maintaining sibling connections.

3 (iv) The program provides aftercare services for at least 6
4 months post discharge.

5 (v) The program is accredited by an independent not-for-profit
6 organization as described in 42 USC 672(k)(4)(G).

7 (vi) The program does not include a detention facility,
8 forestry camp, training school, or other facility operated
9 primarily for detaining minor children who are determined to be
10 delinquent.

11 (z) ~~(x)~~ "Regular license" means a license issued to a child
12 care organization indicating that the organization is in
13 substantial compliance with all rules promulgated under this act
14 and, if there is a deficiency, has entered into a corrective action
15 plan.

16 (aa) ~~(y)~~ "Guardian" means the guardian of the person.

17 (bb) ~~(z)~~ "Minor child" means any of the following:

18 (i) A person less than 18 years of age.

19 (ii) A person who is a resident in a child caring institution,
20 foster family home, or foster family group home, who is at least 18
21 but less than 21 years of age, and who meets the requirements of
22 the young adult voluntary foster care act, 2011 PA 225, MCL 400.641
23 to 400.671.

24 (iii) A person who is a resident in a child caring institution,
25 children's camp, foster family home, or foster family group home;
26 who becomes 18 years of age while residing in a child caring
27 institution, children's camp, foster family home, or foster family
28 group home; and who continues residing in a child caring
29 institution, children's camp, foster family home, or foster family

group home to receive care, maintenance, training, and supervision. A minor child under this subparagraph does not include a person 18 years of age or older who is placed in a child caring institution, foster family home, or foster family group home under an adjudication under section 2(a) of chapter XIIIA of the probate code of 1939, 1939 PA 288, MCL 712A.2, or under section 1 of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.1. This subparagraph applies only if the number of those residents who become 18 years of age does not exceed the following:

(A) Two, if the total number of residents is 10 or fewer.

(B) Three, if the total number of residents is not less than 11 and not more than 14.

(C) Four, if the total number of residents is not less than 15 and not more than 20.

(D) Five, if the total number of residents is 21 or more.

(iv) A person 18 years of age or older who is placed in an unlicensed residence under section 5(4) or a foster family home under section 5(7).

(cc) ~~(aa)~~—"Related" means in the relationship by blood, marriage, or adoption, as parent, grandparent, great-grandparent, great-great-grandparent, aunt or uncle, great-aunt or great-uncle, great-great-aunt or great-great-uncle, sibling, stepsibling, nephew or niece, first cousin or first cousin once removed, and the spouse of any of the individuals described in this definition, even after the marriage has ended by death or divorce.

(dd) ~~(bb)~~—"Religious organization" means a church, ecclesiastical corporation, or group, not organized for pecuniary profit, that gathers for mutual support and edification in piety or worship of a supreme deity.

1 **(ee)** ~~(ee)~~ "School-age child" means a child who is eligible to
 2 attend a grade of kindergarten or higher, but is less than 13 years
 3 of age. A child is considered to be a school-age child on the first
 4 day of the school year in which he or she is eligible to attend
 5 school.

6 **(ff)** ~~(dd)~~ "Severe physical injury" means serious physical harm
 7 as that term is defined in section 136b of the Michigan penal code,
 8 1931 PA 328, MCL 750.136b.

9 **(gg)** ~~(ee)~~ "Licensee designee" means the individual designated
 10 in writing by the board of directors of the corporation or by the
 11 owner or person with legal authority to act on behalf of the
 12 company or organization on licensing matters. The individual must
 13 agree in writing to be designated as the licensee designee. All
 14 license applications must be signed by the licensee in the case of
 15 the individual or by a member of the corporation, company, or
 16 organization.

17 **(2) A family child care home or group child care home is**
 18 **automatically eligible for increased capacity after satisfying all**
 19 **of the following criteria:**

20 **(a) Holds a current license.**

21 **(b) Has been licensed to operate for at least 29 consecutive**
 22 **months.**

23 **(c) Has received 1 or more unrelated minor children for care**
 24 **and supervision during the licensed period under subdivision (b).**

25 **(d) Has received a renewed regular license after at least 29**
 26 **months of licensed operation under subdivision (b).**

27 **(3) The department may rescind increased capacity due to 1 or**
 28 **more of the following:**

29 **(a) Corrective action.**

1 (b) Licensing action.

2 (c) Determination by the department that increased capacity is
3 not conducive to the welfare of children as that term is defined in
4 section 5m.

5 (4) If the department rescinds increased capacity as outlined
6 in subsection (3), the family child care home or group child care
7 home may be considered for increased capacity not less than 22
8 months after rescinding increased capacity in a form and manner
9 determined by the department.

10 (5) A family child care home or group child care home may
11 appeal rescission of increased capacity under a hearing held in the
12 manner provided under section 11(2).

13 Sec. 5c. (1) Except as provided in subsection (6), when a
14 person or ~~partnership, or licensee designee if the~~ **an** applicant
15 ~~that~~ is a ~~limited liability corporation, firm, corporation,~~
16 ~~association, nongovernmental organization, or governmental~~
17 ~~organization~~ **legal entity, trust, or local or state governmental**
18 **organization** applies for a license for a child care organization
19 under section 5, the department shall request the department of
20 state police to perform a criminal history check on the person,
21 licensee designee, chief administrator, and program director of ~~a~~
22 **the** child care organization, **as applicable.**

23 (2) Each person applying for a license to operate a child care
24 organization ~~shall~~ **must** give written consent at the time of the
25 license application for the department of state police to conduct
26 the criminal history check required under this section. The
27 department shall require the person to submit his or her
28 fingerprints to the department of state police and the Federal
29 Bureau of Investigation for the criminal history check described in

1 subsection (1).

2 (3) The department shall request a criminal history check
3 required under this section on a form and in the manner prescribed
4 by the department of state police.

5 (4) Within a reasonable time after receiving a complete
6 request by the department for a criminal history check on a person
7 under this section, the department of state police ~~shall~~**must**
8 conduct the criminal history check and provide a report of the
9 results to the department. The report shall contain any criminal
10 history record information on the person maintained by the
11 department of state police and the Federal Bureau of Investigation.

12 (5) The department of state police may charge the department a
13 fee for a criminal history check required under this section that
14 does not exceed the actual and reasonable cost of conducting the
15 check. The department may pass along to the licensee or applicant
16 the actual cost or fee charged by the department of state police,
17 the Federal Bureau of Investigation, or a vendor approved by the
18 department of state police for performing a criminal history check
19 required under this section.

20 (6) If a person, licensee designee, chief administrator, or
21 program director of a child care organization applying to renew a
22 license to operate a child care organization has previously
23 undergone a criminal history check required under subsection (1)
24 and has remained continuously licensed after the criminal history
25 check has been performed and section 5k continues to apply, that
26 person, licensee designee, chief administrator, or program director
27 of a child care organization is not required to submit to another
28 criminal history check upon renewal of the license obtained under
29 section 5.

1 Sec. 5m. (1) This section and sections 5n to 5s apply only to
2 a child care center, group child care home, or family child care
3 home.

4 (2) A person, **local or state governmental organization,**
5 ~~partnership, firm, corporation, association, nongovernmental~~
6 ~~organization, or governmental organization~~ **trust, or legal entity**
7 shall not establish or maintain a child care center, group child
8 care home, or family child care home unless licensed by the
9 department. Application for a child care center, group child care
10 home, or family child care home license ~~shall~~ **must** be made on forms
11 provided, and in the manner prescribed, by the department,
12 including the fees required under subsection ~~(10)~~. **(11)**. Before
13 issuing or renewing a child care center, group child care home, or
14 family child care home license, the department ~~shall~~ **must**
15 investigate the applicant's activities and proposed standards of
16 care and ~~shall~~ **must** make an on-site visit of the proposed or
17 established child care center, group child care home, or family
18 child care home. Except as otherwise provided in this subsection
19 and sections 5q and 5r, if the department is satisfied as to the
20 need for a child care center, group child care home, or family
21 child care home, as to its financial stability, and that the
22 service, facility, applicant, licensee, child care staff member, or
23 member of the household is conducive to the welfare of the
24 children, the department shall issue or renew the child care
25 center, group child care home, or family child care home license.
26 If the department determines that a service, facility, applicant,
27 licensee, child care staff member, or member of the household is
28 not conducive to the welfare of the children, the department shall
29 deny that application or revoke that licensee's license according

1 to section 11.

2 (3) An applicant for a child care center license must disclose
3 the ownership interest in the child care center as follows:

4 (a) If the owner is a trust, the applicant must disclose the
5 names and addresses of all the trustees.

6 (b) If the owner is a privately held corporation, the
7 applicant must disclose the names and addresses of all
8 shareholders, officers, and directors.

9 (c) If the owner is a publicly held corporation, the applicant
10 must disclose the names and addresses of the officers and directors
11 and all shareholders holding a direct or indirect interest of
12 greater than 5%.

13 (d) If the owner is a partnership or limited liability
14 partnership, the applicant must disclose the names and addresses of
15 all the partners.

16 (e) If the owner is a limited partnership or limited liability
17 limited partnership, the applicant must disclose the names and
18 addresses of all partners, both general and limited.

19 (f) If the owner is a limited liability company, the applicant
20 must disclose the names and addresses of all members and managers.

21 (g) If the owner is a legal entity not covered under
22 subdivisions (a) to (f), the applicant must disclose the names and
23 address of all individuals that participate in governance for the
24 legal entity.

25 (4) ~~(3)~~ To assess whether the service, facility, applicant,
26 licensee, child care staff member, or member of the household is
27 conducive to the welfare of the children, the department may
28 utilize available information, including, but not limited to, any
29 of the following:

1 (a) Investigative report, such as a law enforcement report and
2 a children's protective services report.

3 (b) Medical report.

4 (c) Public record.

5 (d) Child care center, group child care home, or family child
6 care home record.

7 (e) Inspection of the child care center, group child care
8 home, or family child care home.

9 (5) ~~(4)~~—The department may use information obtained under
10 section 5k to obtain reports prepared independently for police, law
11 enforcement, or other purposes to make a determination under this
12 section.

13 (6) ~~(5)~~—The department shall issue a group child care home or
14 family child care home license to a person who has successfully
15 completed an orientation session offered by the department and who
16 meets the requirements of this act. The department ~~shall~~**must** make
17 available to group child care home or family child care home
18 applicants for licensure an orientation session regarding this act,
19 the rules promulgated under this act, and the needs of children in
20 child care before issuing a group child care home or family child
21 care home license.

22 (7) ~~(6)~~—Except as provided in subsection (2), the department
23 shall issue an original or renewal license under this act for a
24 child care center, group child care home, or family child care home
25 not later than 6 months after the applicant files a completed
26 application. Receipt of the application is considered the date the
27 application is received by the department. If the application is
28 considered incomplete by the department, the department ~~shall~~**must**
29 notify the applicant in writing or make notice electronically

1 available within 30 days after receipt of the incomplete
2 application, describing the deficiency and requesting additional
3 information. If the department identifies a deficiency or requires
4 the fulfillment of a corrective action plan, the 6-month period is
5 tolled until either of the following occurs:

6 (a) Upon notification by the department of a deficiency, until
7 the date the requested information is received by the department.

8 (b) Upon notification by the department that a corrective
9 action plan is required, until the date the department determines
10 the requirements of the corrective action plan have been met.

11 (8) ~~(7)~~—The determination of the completeness of an
12 application is not an approval of the application for the license
13 and does not confer eligibility on an applicant determined
14 otherwise ineligible for issuance of a license.

15 (9) ~~(8)~~—Except as provided in subsection (2), if the
16 department fails to issue, deny, or refuse to renew a license to a
17 child care center, group child care home, or family child care home
18 within the time required by this section, the department ~~shall~~**must**
19 return the application fee required under subsection ~~(10)~~**(11)** and
20 shall reduce the application fee for the applicant's next renewal
21 application, if any, by 15%. Failure to issue, deny, or refuse to
22 renew a license to a child care center, group child care home, or
23 family child care home within the time period required under this
24 section does not allow the department to otherwise delay the
25 processing of the application. A completed application shall be
26 placed in sequence with other completed applications received at
27 that same time. The department shall not discriminate against an
28 applicant in processing of an application based on the fact that
29 the application fee was refunded or discounted under this

1 subsection.

2 **(10)** ~~(9)~~ If, on a continual basis, inspections performed by a
3 local health department delay the department in issuing or denying
4 a license for a child care center, group child care home, or family
5 child care home under this act within the 6-month period, the
6 department may use department staff to complete the inspection
7 instead of the local health department causing the delays.

8 **(11)** ~~(10)~~ The department shall assess fees as provided in the
9 following schedule:

10 (a) Family child care home license, \$50.00 for an original
11 license application and \$25.00 for renewal.

12 (b) Group child care home license, \$100.00 for an original
13 license application and \$50.00 for renewal.

14 (c) Child care center license with a capacity of 1 to 20,
15 \$150.00 for an original license application and \$75.00 for renewal.

16 (d) Child care center license with a capacity of 21 to 50,
17 \$200.00 for an original license application and \$100.00 for
18 renewal.

19 (e) Child care center license with a capacity of 51 to 100,
20 \$250.00 for an original license application and \$125.00 for
21 renewal.

22 (f) Child care center license with a capacity of over 100,
23 \$300.00 for an original license application and \$150.00 for
24 renewal.

25 **(12)** ~~(11)~~ The department shall use the fees collected under
26 this section only to fund the program licensing child care centers,
27 group child care homes, and family child care homes. Funds
28 remaining at the end of the fiscal year shall not lapse to the
29 general fund but shall remain available to fund the program in

1 subsequent years.

2 (13) ~~(12)~~ Fees described in this section are payable to the
3 department at the time an application is submitted for original
4 issuance or renewal. If a license is denied, revoked, or refused
5 renewal, or an application is rejected as provided in section
6 15(4), the department shall not refund fees paid to the department.

7 (14) ~~(13)~~ As used in this section:

8 (a) "Completed application" means an application complete on
9 its face and submitted with any applicable fees as well as any
10 other information, records, approval, security, or similar item
11 required by law or rule from a local unit of government, a federal
12 agency, a state department or agency of another state, or a private
13 entity but not from another department or agency of this state. A
14 completed application does not include a health inspection
15 performed by a local health department.

16 (b) "Conducive to the welfare of the children" means:

17 (i) The service and facility comply with this act and the
18 administrative rules promulgated under this act.

19 (ii) The disposition, temperament, condition, and action of the
20 applicant, licensee, licensee designee, program director, child
21 care staff member, and member of the household promote the safety
22 and well-being of the children served.