

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 161**

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending sections 103, 316, and 2404b (MCL 339.103, 339.316, and
339.2404b), section 103 as amended by 1994 PA 257, section 316 as
amended by 1998 PA 90, and section 2404b as amended by 2014 PA 175,
and by adding article 14A; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. (1) **"ARMED FORCES" MEANS THAT TERM AS DEFINED IN**
2 **SECTION 2 OF THE VETERAN RIGHT TO EMPLOYMENT SERVICES ACT, 1994 PA**
3 **39, MCL 35.1092.**

4 (2) ~~(1)~~—"Board" means, in each article which deals with a
5 specific occupation, the agency created in that article composed
6 principally of members of the regulated occupation. In all other

1 contexts, board means each agency created under this act.

2 (3) ~~(2)~~ "Censure" means an expression of disapproval of a
 3 licensee's or registrant's professional conduct. ~~, which~~ **THE TERM**
 4 **INCLUDES AN EXPRESSION OF DISAPPROVAL OF PROFESSIONAL** conduct **THAT**
 5 is not necessarily a violation of this act or a rule promulgated or
 6 an order issued under this act.

7 (4) ~~(3)~~ "Competence" means a degree of expertise ~~which~~ **THAT**
 8 enables a person to engage in an occupation at a level ~~which~~ **THAT**
 9 meets or exceeds minimal standards of acceptable practice for the
 10 occupation.

11 (5) ~~(4)~~ "Complaint" means an oral or written grievance.

12 (6) ~~(5)~~ "Controlled substance" means ~~a drug, substance, or~~
 13 ~~immediate precursor as set forth in section 7212, 7214, 7216, 7218,~~
 14 ~~or 7220 of the public health code, Act No. 368 of the Public Acts~~
 15 ~~of 1978, being sections 333.7212, 333.7214, 333.7216, 333.7218, and~~
 16 ~~333.7220 of the Michigan Compiled Laws, not excluded pursuant to~~
 17 ~~section 7227 of Act No. 368 of the Public Acts of 1978, being~~
 18 ~~section 333.7227 of the Michigan Compiled Laws.~~ **THAT TERM AS DEFINED**
 19 **IN SECTION 7104 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL**
 20 **333.7104.**

21 Sec. 316. (1) Unless otherwise provided in an article, a board
 22 and the department shall develop an examination or test required by
 23 an article. The board and the department in developing an
 24 examination or test may adopt an examination or test prepared by
 25 another agency if the board and the department determine that the
 26 examination or test serves as a basis for determining whether a
 27 ~~person~~ **AN INDIVIDUAL** has the knowledge and skills to perform an

1 occupation with competence.

2 (2) The material required by the board and the department to
3 develop an examination or test may be considered by the board in a
4 closed session, if the board meets the requirements of section 7 of
5 the open meetings act, 1976 PA 267, MCL 15.267.

6 ~~—— (3) A board and the department, in determining the form the~~
7 ~~recommended examination or test shall take, shall give special~~
8 ~~emphasis to an alternative form of testing which permits a person~~
9 ~~to demonstrate a special qualification a person may have which is~~
10 ~~not evident under a written examination, but which is related to an~~
11 ~~occupation. The alternative form of testing shall be structured to~~
12 ~~give weight to a person's experience, noninstitutional training,~~
13 ~~and innate skills and shall be flexible enough to enable a person~~
14 ~~with a mental or physical disability to demonstrate that the person~~
15 ~~has the requisite knowledge and skills.~~

16 **ARTICLE 14A**

17 **SEC. 1421. AS USED IN THIS ARTICLE:**

18 (A) "DISQUALIFYING MISDEMEANOR" MEANS A MISDEMEANOR THAT
19 INVOLVES ANY OF THE FOLLOWING:

20 (i) DISHONESTY OR FRAUD.

21 (ii) UNAUTHORIZED DIVULGING OR SELLING OF INFORMATION OR
22 EVIDENCE.

23 (iii) IMPERSONATION OF A LAW ENFORCEMENT OFFICER OR EMPLOYEE
24 OF THE UNITED STATES, THIS STATE, OR A POLITICAL SUBDIVISION OF
25 THIS STATE.

26 (iv) ILLEGALLY USING, CARRYING, OR POSSESSING A DANGEROUS
27 WEAPON.

1 (v) TWO OR MORE ALCOHOL-RELATED OFFENSES.

2 (vi) A CONTROLLED SUBSTANCE UNDER THE PUBLIC HEALTH CODE, 1978
3 PA 368, MCL 333.1101 TO 333.25211.

4 (vii) AN ASSAULT.

5 (viii) CRIMINAL SEXUAL CONDUCT.

6 (B) "PATROL SERVICE" MEANS ROVING ON FOOT OR IN A VEHICLE, TO
7 PROVIDE SECURITY FOR PROPERTY BY OBSERVATION, DIRECT OR INDIRECT
8 INTERVENTION, OR BOTH.

9 (C) "PRINCIPAL LICENSE HOLDER" MEANS AN INDIVIDUAL DESIGNATED
10 UNDER SECTION 1431.

11 (D) "PRIVATE SECURITY BUSINESS AND SECURITY ALARM ACT" MEANS
12 THE PRIVATE SECURITY BUSINESS AND SECURITY ALARM ACT, 1968 PA 330,
13 MCL 338.1051 TO 338.1092.

14 (E) "SECURITY ALARM SYSTEM" MEANS THAT TERM AS DEFINED IN
15 SECTION 2 OF THE SECURITY ALARM SYSTEMS ACT, MCL 338.2182.

16 (F) "SECURITY ALARM SYSTEM PROVIDER" MEANS A SYSTEM PROVIDER
17 AS THAT TERM IS DEFINED IN SECTION 2 OF THE SECURITY ALARM SYSTEMS
18 ACT, MCL 338.2182.

19 (G) "SECURITY ALARM SYSTEMS ACT" MEANS THE SECURITY ALARM
20 SYSTEMS ACT, 2012 PA 580, MCL 338.2181 TO 338.2187.

21 (H) "SECURITY GUARD" MEANS AN INDIVIDUAL WHO PROVIDES
22 PROTECTION FOR PROPERTY ON THE PREMISES OF ANOTHER AS AN AGENT OR
23 EMPLOYEE OF A SECURITY GUARD AGENCY. THE TERM INCLUDES AN
24 INDIVIDUAL ENGAGED IN PATROL SERVICE.

25 (I) "SECURITY GUARD AGENCY" MEANS A PERSON, OTHER THAN A
26 PERSON DESCRIBED IN SECTION 1423(1), THAT IS ENGAGED IN THE
27 BUSINESS OF ARRANGING FOR OR PROVIDING ANY OF THE FOLLOWING:

1 (i) SECURITY GUARDS.

2 (ii) PATROL SERVICE.

3 SEC. 1423. (1) THIS ARTICLE DOES NOT APPLY TO ANY OF THE
4 FOLLOWING:

5 (A) A SECURITY ALARM SYSTEMS PROVIDER THAT HAS FILED A
6 REGISTRATION STATEMENT UNDER THE SECURITY ALARM SYSTEMS ACT.

7 (B) A PRIVATE COLLEGE SECURITY FORCE OR PRIVATE SECURITY
8 POLICE FORCE THAT IS SUBJECT TO THE PRIVATE SECURITY BUSINESS AND
9 SECURITY ALARM ACT.

10 (C) A PERSON THAT IS LICENSED AS A PROFESSIONAL INVESTIGATOR
11 UNDER THE PROFESSIONAL INVESTIGATOR LICENSURE ACT, 1965 PA 285, MCL
12 338.821 TO 338.851.

13 (2) IF A LICENSE TO CONDUCT BUSINESS AS A SECURITY GUARD
14 AGENCY IS ISSUED TO A PERSON UNDER THIS ARTICLE, THAT LICENSEE IS
15 NOT REQUIRED TO OBTAIN ANY OTHER LICENSE TO CONDUCT THE BUSINESS AS
16 A SECURITY GUARD AGENCY FROM A MUNICIPALITY OR POLITICAL
17 SUBDIVISION OF THIS STATE.

18 SEC. 1425. (1) SUBJECT TO SUBSECTION (3), THE DEPARTMENT SHALL
19 ISSUE A LICENSE TO CONDUCT BUSINESS AS A SECURITY GUARD AGENCY IF
20 IT IS SATISFIED THAT THE APPLICANT, IF THE APPLICANT IS AN
21 INDIVIDUAL, OR IF IT IS SATISFIED THAT THE PRINCIPAL LICENSE
22 HOLDER, IF THE APPLICANT IS NOT AN INDIVIDUAL, MEETS ALL OF THE
23 FOLLOWING QUALIFICATIONS:

24 (A) IS AT LEAST 21 YEARS OF AGE.

25 (B) GRADUATED FROM HIGH SCHOOL OR PASSED THE GENERAL
26 EDUCATIONAL DEVELOPMENT (GED) TEST OR ANOTHER GRADUATE EQUIVALENCY
27 EXAMINATION APPROVED BY THE DEPARTMENT.

1 (C) IS OF GOOD MORAL CHARACTER.

2 (D) HAS NOT BEEN CONVICTED OF EITHER OF THE FOLLOWING:

3 (i) A FELONY.

4 (ii) WITHIN THE 5-YEAR PERIOD PRECEDING THE DATE OF
5 APPLICATION, A DISQUALIFYING MISDEMEANOR.

6 (E) HAS NOT BEEN ADJUDGED INSANE, UNLESS HE OR SHE HAS BEEN
7 ADJUDGED RESTORED TO SANITY BY COURT ORDER.

8 (F) MEETS ANY OF THE FOLLOWING:

9 (i) WAS LAWFULLY ENGAGED IN BUSINESS AS A SECURITY GUARD
10 AGENCY IN ANOTHER STATE FOR A PERIOD OF AT LEAST 3 YEARS.

11 (ii) WAS LAWFULLY ENGAGED AS A SECURITY GUARD FOR A LICENSED
12 SECURITY GUARD AGENCY FOR AT LEAST 4 YEARS AND HAS AT LEAST 4 YEARS
13 OF EXPERIENCE SUPERVISING SECURITY GUARDS.

14 (iii) WAS LAWFULLY ENGAGED IN LAW ENFORCEMENT EMPLOYMENT AS A
15 CERTIFIED POLICE OFFICER ON A FULL-TIME BASIS FOR AT LEAST 4 YEARS
16 FOR A CITY, COUNTY, TOWNSHIP, VILLAGE, OR STATE GOVERNMENT OR FOR
17 THE UNITED STATES GOVERNMENT.

18 (iv) IS A GRADUATE WITH A BACCALAUREATE DEGREE OR ITS
19 EQUIVALENT IN THE FIELD OF POLICE ADMINISTRATION, CRIMINAL JUSTICE,
20 OR INDUSTRIAL SECURITY FROM AN ACCREDITED COLLEGE OR UNIVERSITY;
21 AND FOR A PERIOD OF 2 YEARS ON A FULL-TIME BASIS WAS AN EMPLOYEE OF
22 A SECURITY GUARD AGENCY OR WAS ENGAGED ON HIS OR HER OWN ACCOUNT AS
23 A SECURITY ADMINISTRATOR OR LOSS PREVENTION MANAGER IN PRIVATE
24 BUSINESS.

25 (v) SERVED IN THE ARMED FORCES; WHILE SERVING IN THE ARMED
26 FORCES, ACTED AS A MILITARY POLICE OFFICER OR IN AN EQUIVALENT JOB
27 CLASSIFICATION FOR AT LEAST 2 YEARS; WAS SEPARATED FROM THAT

SERVICE, AND PROVIDES A FORM DD214 OR DD215 OR ANY OTHER FORM SATISFACTORY TO THE DEPARTMENT THAT DEMONSTRATES THAT 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.

(2) AN APPLICATION FOR A LICENSE AS A SECURITY GUARD AGENCY UNDER THIS ARTICLE MUST CONTAIN AT LEAST ALL OF THE FOLLOWING:

(A) THE APPLICANT'S NAME AND THE ADDRESS OF THE APPLICANT'S PRINCIPAL PLACE OF BUSINESS.

(B) IF THE APPLICANT IS NOT THE SECURITY GUARD AGENCY, THE SECURITY GUARD AGENCY'S NAME AND THE ADDRESS OF THE SECURITY GUARD AGENCY'S PRINCIPAL PLACE OF BUSINESS.

(C) THE ADDRESS OF EACH LOCATION IN THIS STATE, INCLUDING ANY BRANCH OFFICES IN THIS STATE, AT WHICH THE SECURITY GUARD AGENCY CONDUCTS OR WILL CONDUCT BUSINESS.

(D) IF APPLICABLE, THE NAME OF THE INDIVIDUAL DESIGNATED BY THE APPLICANT OR LICENSEE AS THE PRINCIPAL LICENSE HOLDER OF THE SECURITY GUARD AGENCY.

1 (3) THE DEPARTMENT SHALL NOT ISSUE A LICENSE UNDER THIS
2 ARTICLE IF THE APPLICANT DOES NOT PROVIDE THE DEPARTMENT WITH
3 PROOF, IN THE FORM OF A CERTIFICATE OF INSURANCE, THAT IT HAS AND
4 MAINTAINS A POLICY OF LIABILITY INSURANCE THAT IS ISSUED BY AN
5 AUTHORIZED INSURER, AS DEFINED IN SECTION 108 OF THE INSURANCE CODE
6 OF 1956, 1956 PA 218, MCL 500.108; NAMES THIS STATE AS AN
7 ADDITIONAL INSURED; PROVIDES COVERAGE IN THE AMOUNT OF AT LEAST
8 \$400,000.00 PER OCCURRENCE; AND REQUIRES THE INSURER TO PROVIDE THE
9 DEPARTMENT WITH NOTICE OF CANCELLATION OF THE POLICY AT LEAST 30
10 DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION. A CERTIFICATE
11 OF INSURANCE REQUIRED UNDER THIS SUBSECTION MUST STATE THAT THE
12 POLICY MEETS ALL OF THESE REQUIREMENTS.

13 (4) A PERSON MAY BRING AN ACTION ON AN INSURANCE POLICY
14 DESCRIBED IN SUBSECTION (3) IN THAT PERSON'S OWN NAME TO RECOVER
15 DAMAGES SUFFERED BY REASON OF A WRONGFUL ACT OF THE LICENSEE OR AN
16 AGENT OR EMPLOYEE OF THE LICENSEE.

17 SEC. 1427. A LICENSE ISSUED UNDER THIS ARTICLE IS VALID FOR 4
18 YEARS.

19 SEC. 1429. (1) A LICENSEE SHALL POST ITS LICENSE IN A
20 CONSPICUOUS PLACE IN THE LICENSEE'S OFFICE.

21 (2) A LICENSEE SHALL NOTIFY THE DEPARTMENT IN WRITING OF ANY
22 NAME OR ADDRESS CHANGE WITHIN 30 DAYS AFTER THE DATE OF THE CHANGE.

23 SEC. 1431. (1) A LICENSEE THAT IS NOT AN INDIVIDUAL, OR AN
24 APPLICANT THAT IS APPLYING FOR A LICENSE ON BEHALF OF A PERSON THAT
25 IS NOT AN INDIVIDUAL, AS APPLICABLE, SHALL DESIGNATE AN INDIVIDUAL
26 AS THE PRINCIPAL LICENSE HOLDER OF THAT LICENSEE. SUBJECT TO
27 SUBSECTIONS (3), (4), AND (5), A LICENSEE MUST CONTINUOUSLY

1 MAINTAIN A DESIGNATED PRINCIPAL LICENSE HOLDER.

2 (2) AN INDIVIDUAL DESIGNATED AS A LICENSEE'S PRINCIPAL LICENSE
3 HOLDER IS AUTHORIZED TO ACT ON BEHALF OF THE LICENSEE FOR PURPOSES
4 OF THIS ARTICLE.

5 (3) IF ITS PRINCIPAL LICENSE HOLDER IS NO LONGER AUTHORIZED TO
6 ACT IN THAT CAPACITY ON THE LICENSEE'S BEHALF, OR IS NO LONGER
7 AVAILABLE TO ACT IN THAT CAPACITY FOR ANY REASON, THE LICENSEE
8 SHALL DESIGNATE A DIFFERENT INDIVIDUAL, WHO MEETS THE REQUIREMENTS
9 OF SECTION 1425(1), AS ITS PRINCIPAL LICENSE HOLDER AND SHALL DO
10 ALL OF THE FOLLOWING WITHIN 10 DAYS AFTER IT MAKES THAT
11 DESIGNATION:

12 (A) PROVIDE WRITTEN NOTICE TO THE DEPARTMENT THAT IT HAS
13 DESIGNATED A DIFFERENT INDIVIDUAL AS ITS PRINCIPAL LICENSE HOLDER.

14 (B) PROVIDE TO THE DEPARTMENT THE NAME OF THAT INDIVIDUAL AND
15 ANY OTHER INFORMATION ABOUT THAT INDIVIDUAL THAT IS REASONABLY
16 REQUIRED BY THE DEPARTMENT.

17 (4) IF A LICENSEE DESIGNATING A DIFFERENT INDIVIDUAL AS ITS
18 PRINCIPAL LICENSE HOLDER DOES NOT COMPLY WITH SUBSECTION (3), OR
19 THE DEPARTMENT DOES NOT APPROVE OF THE DESIGNATION OF THAT
20 INDIVIDUAL AS THE LICENSEE'S PRINCIPAL LICENSE HOLDER, THE
21 DEPARTMENT SHALL NOTIFY THE LICENSEE OF ITS DISAPPROVAL. WITHIN 30
22 DAYS AFTER RECEIVING THAT NOTIFICATION, THE LICENSEE SHALL
23 DESIGNATE ANOTHER INDIVIDUAL UNDER SUBSECTION (3) AND MEET THE
24 REQUIREMENTS OF THIS SECTION FOR APPROVAL OF THAT INDIVIDUAL BY THE
25 DEPARTMENT AS ITS PRINCIPAL LICENSE HOLDER.

26 (5) IF A SECURITY GUARD AGENCY IS REQUIRED TO HAVE A PRINCIPAL
27 LICENSE HOLDER UNDER THIS SECTION, THE SECURITY GUARD AGENCY'S

1 LICENSE UNDER THIS ARTICLE IS AUTOMATICALLY SUSPENDED DURING ANY
2 PERIOD OF TIME THE LICENSEE HAS NOT DESIGNATED A PRINCIPAL LICENSE
3 HOLDER AND NOTIFIED THE DEPARTMENT OF THAT DESIGNATION. HOWEVER, ON
4 REQUEST, THE DEPARTMENT MAY PERMIT THE LICENSE TO STAY IN FORCE FOR
5 60 DAYS TO ALLOW THE LICENSEE TO DESIGNATE A PRINCIPAL LICENSE
6 HOLDER.

7 SEC. 1433. (1) A LICENSEE SHALL NOT EMPLOY AN INDIVIDUAL THAT
8 DOES NOT MEET ALL OF THE FOLLOWING:

9 (A) MEETS THE QUALIFICATIONS DESCRIBED IN SECTION 1425(1)(D)
10 AND (E).

11 (B) MEETS EITHER OF THE FOLLOWING:

12 (i) IS AT LEAST 18 YEARS OLD AND GRADUATED FROM HIGH SCHOOL OR
13 PASSED THE GENERAL EDUCATIONAL DEVELOPMENT (GED) TEST OR ANOTHER
14 GRADUATE EQUIVALENCY EXAMINATION APPROVED BY THE DEPARTMENT.

15 (ii) IS AT LEAST 21 YEARS OLD.

16 (2) A LICENSEE SHALL MAINTAIN AND KEEP IN THIS STATE ADEQUATE
17 AND COMPLETE PERSONNEL INFORMATION ON ALL OF ITS EMPLOYEES.

18 (3) A LICENSEE SHALL NOT FALSELY STATE OR REPRESENT THAT AN
19 INDIVIDUAL IS OR HAS BEEN IN THE LICENSEE'S EMPLOY. A LICENSEE THAT
20 VIOLATES THIS SUBSECTION IS SUBJECT TO THE PENALTIES UNDER ARTICLE
21 6.

22 SEC. 1435. (1) A LICENSEE SHALL NOT ALLOW AN INDIVIDUAL WHO IS
23 CONVICTED OF A FELONY OR A DISQUALIFYING MISDEMEANOR WHILE IN THE
24 EMPLOY OF THE LICENSEE AS A SECURITY GUARD TO CONTINUE THAT
25 EMPLOYMENT.

26 (2) A LICENSEE SHALL CAUSE FINGERPRINTS TO BE TAKEN OF HIMSELF
27 OR HERSELF, IF THE LICENSEE IS AN INDIVIDUAL, OF THE PRINCIPAL

1 LICENSE HOLDER IF THE LICENSEE IS NOT AN INDIVIDUAL, AND OF ALL
2 PROSPECTIVE EMPLOYEES IT INTENDS TO HIRE AS DIRECT PROVIDERS OF THE
3 LICENSEE'S SECURITY SERVICES. THE LICENSEE SHALL ENSURE THAT THOSE
4 FINGERPRINTS ARE SUBMITTED TO THE DEPARTMENT OF STATE POLICE AND
5 THE FEDERAL BUREAU OF INVESTIGATION FOR A STATE AND NATIONAL
6 CRIMINAL HISTORY BACKGROUND CHECK, ACCOMPANIED BY A FINGERPRINT
7 PROCESSING FEE IN THE AMOUNT REQUIRED UNDER SECTION 3 OF 1935 PA
8 120, MCL 28.273, AND ANY FEES IMPOSED BY THE FEDERAL BUREAU OF
9 INVESTIGATION. THE LICENSEE SHALL OBTAIN A COMPLETE AND SIGNED
10 EMPLOYMENT APPLICATION FROM EACH INDIVIDUAL FOR WHOM A CRIMINAL
11 HISTORY BACKGROUND CHECK IS REQUESTED AND CONDUCTED. THE LICENSEE
12 SHALL RETAIN EACH EMPLOYMENT APPLICATION FOR AT LEAST 1 YEAR FROM
13 THE DATE THE LICENSEE OBTAINS IT AND PROVIDE A COPY OF IT TO THE
14 DEPARTMENT ON REQUEST. THE LICENSEE SHALL ENSURE THAT ALL COMPLETED
15 FINGERPRINT BACKGROUND CHECK REQUEST FORMS ARE SUBMITTED TO THE
16 DEPARTMENT AFTER FINGERPRINTING IS COMPLETED. THE DEPARTMENT SHALL
17 USE THE RESULTS OF THE STATE CRIMINAL HISTORY BACKGROUND CHECK, AND
18 THE NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AS RETURNED BY THE
19 FEDERAL BUREAU OF INVESTIGATION TO THE DEPARTMENT OF STATE POLICE,
20 TO MAKE A FITNESS DETERMINATION. A LICENSEE SHALL NOT EMPLOY AN
21 INDIVIDUAL AS A DIRECT PROVIDER OF ITS SECURITY SERVICES BEFORE
22 SUBMITTING THAT INDIVIDUAL'S FINGERPRINTS TO THE DEPARTMENT OF
23 STATE POLICE.

24 (3) IF THE TAKING OF FINGERPRINTS IS REQUIRED UNDER SUBSECTION
25 (2), A LAW ENFORCEMENT AGENCY OR ANY OTHER PERSON DETERMINED BY THE
26 DEPARTMENT OF STATE POLICE TO BE QUALIFIED MAY TAKE THOSE
27 FINGERPRINTS. IF A LICENSEE TAKES THE FINGERPRINTS, THAT LICENSEE

1 MUST FIRST OBTAIN TRAINING IN TAKING FINGERPRINTS FROM THE
2 DEPARTMENT OF STATE POLICE OR A LAW ENFORCEMENT AGENCY OR OTHER
3 PERSON THAT THE DEPARTMENT OF STATE POLICE DETERMINES IS QUALIFIED
4 TO TAKE FINGERPRINTS.

5 (4) THE DEPARTMENT OF STATE POLICE SHALL STORE AND MAINTAIN
6 ALL FINGERPRINTS SUBMITTED UNDER THIS SECTION IN AN AUTOMATED
7 FINGERPRINT IDENTIFICATION SYSTEM DATABASE THAT PROVIDES FOR AN
8 AUTOMATIC NOTIFICATION WHEN A SUBSEQUENT CRIMINAL ARREST
9 FINGERPRINT CARD SUBMITTED INTO THE SYSTEM MATCHES A SET OF
10 FINGERPRINTS PREVIOUSLY SUBMITTED UNDER THIS SECTION. IF THERE IS A
11 MATCH, THE DEPARTMENT OF STATE POLICE SHALL IMMEDIATELY NOTIFY THE
12 DEPARTMENT. IF THE FEDERAL BUREAU OF INVESTIGATION IMPLEMENTS A
13 SIMILAR AUTOMATIC NOTIFICATION SYSTEM, THE DEPARTMENT OF STATE
14 POLICE SHALL FORWARD NOTIFICATIONS FROM THAT SYSTEM TO THE
15 DEPARTMENT.

16 (5) A LICENSEE MAY SUBMIT AN ELECTRONIC REQUEST TO THE
17 DEPARTMENT OF STATE POLICE FOR A PROVISIONAL BACKGROUND CHECK OF A
18 PROSPECTIVE EMPLOYEE THE LICENSEE INTENDS TO HIRE AS A DIRECT
19 PROVIDER OF ITS SECURITY SERVICES BASED ON A NAME CHECK. THE
20 LICENSEE SHALL OBTAIN A COMPLETE AND SIGNED EMPLOYMENT APPLICATION
21 FOR EACH INDIVIDUAL FOR WHOM A NAME CHECK IS REQUESTED AND
22 CONDUCTED. THE LICENSEE SHALL RETAIN EACH EMPLOYMENT APPLICATION
23 FOR AT LEAST 1 YEAR FROM THE DATE OF ITS SUBMISSION. THE DEPARTMENT
24 OF STATE POLICE SHALL CONDUCT THE PROVISIONAL BACKGROUND CHECK
25 WITHIN 3 DAYS AFTER IT RECEIVES THE ELECTRONIC REQUEST FROM A
26 LICENSEE ACCOMPANIED BY A FEE IN THE AMOUNT REQUIRED UNDER SECTION
27 3 OF 1935 PA 120, MCL 28.273. A LICENSEE MAY EMPLOY AN INDIVIDUAL

1 WHO RECEIVES PROVISIONAL CLEARANCE BASED ON THE NAME CHECK AS A
2 SECURITY GUARD, FOR A PERIOD OF TIME THAT DOES NOT EXCEED 90 DAYS,
3 PENDING FINAL CLEARANCE BASED ON THE FINGERPRINT CHECK REQUIRED
4 UNDER SUBSECTION (2). IF AN APPROVAL IS ONCE DENIED, THE LICENSEE
5 MAY NOT AGAIN EMPLOY THAT INDIVIDUAL AS A DIRECT PROVIDER OF ITS
6 SECURITY SERVICES UNLESS THE LICENSEE RECEIVES AN APPROVED
7 FINGERPRINT CLEARANCE FOR THAT INDIVIDUAL. A LICENSEE OR EMPLOYEE
8 OF A LICENSEE WHO USES A PROVISIONAL NAME CHECK OR RESULTS OF A
9 PROVISIONAL NAME CHECK FOR PURPOSES OTHER THAN PROSPECTIVE
10 EMPLOYMENT IS GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT
11 FOR NOT MORE THAN 93 DAYS, A FINE OF NOT MORE THAN \$1,000.00, OR
12 BOTH.

13 (6) THE DEPARTMENT OF STATE POLICE MAY ENTER INTO AN AGREEMENT
14 WITH A LICENSEE FOR THE PAYMENT OF FEES IMPOSED UNDER THIS SECTION.

15 SEC. 1437. (1) A LICENSEE SHALL NOT WEAR OR ALLOW AN EMPLOYEE
16 TO WEAR A PARTICULAR TYPE OF UNIFORM AND INSIGNIA THAT DECEIVES OR
17 CONFUSES THE PUBLIC, OR THAT IS IDENTICAL WITH THAT OF A LAW
18 ENFORCEMENT OFFICER OF THE FEDERAL GOVERNMENT, THIS STATE, OR A
19 POLITICAL SUBDIVISION OF THIS STATE. EACH UNIFORM JACKET, COAT, OR
20 SHIRT WORN BY A LICENSEE OR ITS EMPLOYEES SHALL HAVE AN
21 IDENTIFICATION PATCH ON EACH SHOULDER THAT INCLUDES THE NAME OF THE
22 LICENSEE. A SHOULDER IDENTIFICATION PATCH DESCRIBED IN THIS
23 SUBSECTION MAY BE ANY COLOR OR COLORS, MUST BE AT LEAST 12 SQUARE
24 INCHES IN SIZE, AND MAY NOT BE IN THE SHAPE OF A SHIELD OR ANY
25 SHAPE THAT IS USED BY ANY PUBLIC LAW ENFORCEMENT AGENCY IN THIS
26 STATE. A BREAST PATCH OF ANY COLOR SHALL BE AT LEAST 4-1/2 INCHES
27 LONG AND 1 INCH HIGH, WITH CLEARLY LEGIBLE LETTERING CONTAINING THE

1 WORDS "SECURITY", "SECURITY GUARD", OR "LOSS PREVENTION". SHIRT
2 EPAULETS MAY BE ANY COLOR.

3 (2) A LICENSEE OR EMPLOYEE OF A LICENSEE MAY WEAR A BADGE OR
4 SHIELD AS PART OF A SECURITY GUARD UNIFORM. A BADGE OR SHIELD SHALL
5 NOT BE SIMILAR IN SHAPE TO THAT OF ANY LAW ENFORCEMENT OFFICER OF
6 THE FEDERAL GOVERNMENT, THIS STATE, OR A POLITICAL SUBDIVISION OF
7 THIS STATE. A BADGE OR SHIELD MAY CONTAIN THE FLAG OF THE UNITED
8 STATES OF AMERICA OR THE SCALE OF JUSTICE. A UNIFORM MAY INCLUDE
9 DESIGNATIONS OF RANK, EMBLEMS, OR OTHER GARNISHMENTS THAT MAY BE
10 ANY COLOR, EXCEPT THAT THEY SHALL NOT BEAR THE SEAL OF THE STATE OF
11 MICHIGAN.

12 (3) IF A LICENSEE CONSIDERS ALTERNATIVE APPAREL TO BE MORE
13 APPROPRIATE FOR A LOCATION OR EVENT, THE LICENSEE MAY AUTHORIZE
14 EITHER OF THE FOLLOWING IN PLACE OF A UNIFORM DESCRIBED IN THIS
15 SECTION:

16 (A) DRESS SLACKS AND SHIRT WITH A BLAZER. THE BLAZER MUST BEAR
17 AN EMBLEM OR A CREST ON THE LEFT BREAST THAT INCLUDES THE FULL NAME
18 OF THE LICENSEE. THE EMBLEM OR CREST MAY BE ANY COLOR.

19 (B) DRESS SLACKS WITH A BUTTON-DOWN POLO SHIRT. THE SHIRT MUST
20 BEAR AN EMBLEM OR A CREST ON THE LEFT BREAST THAT INCLUDES THE FULL
21 NAME OF THE LICENSEE. THE POLO SHIRT MAY INCLUDE LETTERING ON THE
22 BACK WITH THE WORDS "SECURITY" OR "LOSS PREVENTION".

23 (4) IN INCLEMENT WEATHER, A LICENSEE OR EMPLOYEE MAY WEAR A
24 VINYL RAINCOAT OVER A UNIFORM DESCRIBED IN THIS SECTION. A LICENSEE
25 OR EMPLOYEE MAY WEAR A UNIFORM HAT OR CAP WITH THE UNIFORM. THE HAT
26 OR CAP MAY BEAR AN EMBLEM THAT DOES NOT INCLUDE THE STATE OF
27 MICHIGAN SEAL.

1 (5) A LICENSEE SHALL NOT WEAR OR ALLOW AN EMPLOYEE TO WEAR A
2 UNIFORM, BADGE, OR INSIGNIA DESCRIBED IN THIS SECTION, EXCEPT IN
3 THE PERFORMANCE OF HIS OR HER DUTIES AS A SECURITY GUARD OR WHILE
4 COMMUTING DIRECTLY TO OR FROM HIS OR HER PLACE OR PLACES OF
5 EMPLOYMENT.

6 SEC. 1441. A LICENSEE SHALL NOT USE ANY DESIGNATION OR TRADE
7 NAME THAT IMPLIES ANY ASSOCIATION WITH ANY MUNICIPAL, COUNTY, OR
8 STATE GOVERNMENT, WITH THE FEDERAL GOVERNMENT, OR WITH AN AGENCY OF
9 THE FEDERAL GOVERNMENT.

10 SEC. 1443. (1) THIS ARTICLE DOES NOT IMPAIR OR AFFECT ANY ACT
11 DONE, OFFENSE COMMITTED, OR RIGHT ACCRUING, ACCRUED, OR ACQUIRED OR
12 ANY PENALTY, FORFEITURE, OR PUNISHMENT INCURRED BEFORE THE
13 EFFECTIVE DATE OF THIS ACT.

14 (2) A LICENSE THAT WAS ISSUED UNDER THE PRIVATE SECURITY
15 BUSINESS AND SECURITY ALARM ACT AND IS CURRENTLY IN EFFECT ON THE
16 DATE OF THE AMENDATORY ACT THAT ADDED THIS ARTICLE SHALL REMAIN IN
17 EFFECT FOR THE TIME PERIOD FOR WHICH THAT LICENSE WOULD HAVE
18 REMAINED IN EFFECT IF THIS ARTICLE HAD NOT BEEN ENACTED; AND THAT
19 LICENSEE IS NOT REQUIRED TO OBTAIN A LICENSE UNDER THIS ARTICLE TO
20 CONDUCT BUSINESS AS A SECURITY GUARD AGENCY DURING THAT TIME
21 PERIOD.

22 (3) R 28.4001 TO R 28.4007 OF THE MICHIGAN ADMINISTRATIVE CODE
23 ARE RESCINDED.

24 Sec. 2404b. (1) Beginning June 1, 2008, an applicant for
25 initial licensure either as a residential builder or as a
26 residential maintenance and alteration contractor must successfully
27 complete the prelicensure course of study requirements under this

1 subsection to obtain a license unless he or she is exempt from
2 those requirements under this section. All of the following apply
3 for purposes of this subsection:

4 (a) If an individual who holds a residential builder or a
5 residential maintenance and alteration contractor license, or an
6 individual who held a license as a qualifying officer of a licensed
7 residential builder or residential maintenance and alteration
8 contractor, on June 1, 2008 is renewing a license, he or she is
9 exempt from the requirement of successfully completing prelicensure
10 courses described in this subsection.

11 (b) If an individual is applying for a license or relicensure
12 as a residential builder or residential maintenance and alteration
13 contractor, he or she is exempt from the requirement of
14 successfully completing prelicensure courses described in this
15 subsection if all of the following are met:

16 (i) His or her application is submitted before the expiration
17 of the 18-month period beginning on the effective date of the
18 amendatory act that added this subdivision. This subdivision does
19 not apply to applications that are submitted after that 18-month
20 period.

21 (ii) He or she held an individual license as a residential
22 builder or residential maintenance and alteration contractor, or
23 held a license as a qualifying officer of a licensed residential
24 builder or residential maintenance and alteration contractor, at
25 any time within the 9-year period preceding his or her application.

26 (c) Unless he or she is exempt under subdivision (a) or (b),
27 an applicant shall not receive an initial license under this act

1 unless he or she successfully completed 60 hours of approved
2 prelicensure courses that include at least 6 hours of courses in
3 each of the following areas of competency:

4 (i) Business management, estimating, and job costing.

5 (ii) Design and building science.

6 (iii) Contracts, liability, and risk management.

7 (iv) Marketing and sales.

8 (v) Project management and scheduling.

9 (vi) The current Michigan residential code.

10 (vii) Construction safety standards promulgated under the
11 Michigan occupational safety and health act, 1974 PA 154, MCL
12 408.1001 to 408.1094.

13 (2) All of the following apply to an individual license under
14 this article, as applicable:

15 (a) Subject to subdivision (b), if the individual licensee
16 obtained his or her initial license as a residential builder or a
17 residential maintenance and alteration contractor on or after
18 January 1, 2009, he or she must successfully complete at least 21
19 hours of activities that demonstrate continuing competence in each
20 3-year license cycle, including both of the following:

21 (i) At least 3 hours of activities that demonstrate continuing
22 competency in each calendar year, during the first 6 calendar years
23 of licensure.

24 (ii) At least 3 hours of activities designed to develop a
25 licensee's understanding and ability to apply state building codes
26 and laws relating to the licensed occupation, safety, and changes
27 in construction and business management laws.

1 (b) If an individual licensee described in subdivision (a) was
2 exempt from the prelicensure course requirements of subsection (1)
3 under subsection (1)(b) when he or she obtained his or her initial
4 license as a residential builder or residential maintenance and
5 alteration contractor, the hours of activities that he or she must
6 complete in the first year of his or her first 3-year license cycle
7 under subdivision (a) must include successful completion of at
8 least 1 hour of codes, 1 hour of safety, and 1 hour of legal issues
9 described in this subsection.

10 (c) If the licensee was initially licensed as a licensed
11 residential builder or residential maintenance and alteration
12 contractor, or held a license as a qualifying officer of a licensed
13 residential builder or residential maintenance and alteration
14 contractor, before January 1, 2009, he or she has held a license
15 for not more than two 3-year license cycles, and the department has
16 not taken disciplinary action against him or her for a violation of
17 this act or a rule promulgated under this act, he or she must
18 successfully complete at least 3 hours of activities that
19 demonstrate continuing competency in each 3-year license cycle that
20 includes at least 1 hour of codes, 1 hour of safety, and 1 hour of
21 legal issues described in this subsection.

22 (d) If the licensee has held a license for more than two 3-
23 year license cycles, and the department has not taken disciplinary
24 action against him or her for a violation of this act or a rule
25 promulgated under this act, he or she must successfully complete at
26 least 3 hours of activities demonstrating continuing competency in
27 each license cycle that includes 1 hour of codes, 1 hour of safety,

1 and 1 hour of legal issues as described in this subsection.

2 (3) In addition to the requirements of subsection (2), if the
3 department has taken disciplinary action against a licensee for a
4 violation of this act or a rule promulgated under this act, the
5 licensee must successfully complete, during the next complete
6 license cycle, at least 3 and not more than 21 hours of activities
7 that demonstrate the development of continuing competency during
8 that next license cycle as determined appropriate by order of the
9 department. At least 3 hours of the continuing competency must
10 include 1 hour of codes, 1 hour of safety, and 1 hour of legal
11 issues as described in subsection (2).

12 (4) Any construction code update courses approved by the
13 bureau of construction codes and any fire safety or workplace
14 safety courses approved or sponsored by the department are also
15 considered appropriate for fulfilling the continuing competency
16 requirements of this section. The department may, by rule, amend,
17 supplement, update, substitute, or determine equivalency regarding
18 any courses or alternate activities for developing continuing
19 competency described in this section.

20 (5) The subject matter of the prelicensure and continuing
21 competency activities required under this section may be offered by
22 a high school, an intermediate school district, a community
23 college, a university, the bureau of construction codes, the
24 Michigan occupational safety and health administration, a trade
25 association, or any other proprietary school that is licensed by
26 the department.

27 (6) The department shall promulgate rules to provide for the

1 following:

2 (a) Requirements other than those listed in subsection (4) for
3 determining that a course meets the minimum criteria for developing
4 and maintaining continuing competency.

5 (b) Requirements for acceptable courses offered at seminars
6 and conventions by trade associations, research institutes, risk
7 management entities, manufacturers, suppliers, governmental
8 agencies other than those named in subsection (4), consulting
9 agencies, or other entities.

10 (c) Acceptable distance learning.

11 (d) Alternate forms of continuing competency, including
12 comprehensive testing, participation in mentoring programs,
13 research, participation in code hearings conducted by the
14 international code council, and publication of articles in trade
15 journals or regional magazines as an expert in the field. The
16 alternate forms shall be designed to maintain and improve the
17 licensee's ability to perform the occupation with competence and
18 shall prescribe proofs that are necessary to demonstrate that the
19 licensee has fulfilled the requirements of continuing competency.

20 (7) Each licensee may select approved courses in his or her
21 subject matter area or specialty. A licensee's service as a
22 lecturer or discussion leader in an approved course shall count
23 toward his or her continuing competency requirements under this
24 section. Alternate forms of continuing competency may be earned and
25 documented as promulgated in rules by the department.

26 (8) The department may audit a predetermined percentage of
27 licensees who renew in a year for compliance with the requirements

1 of this section. Failure to comply with the audit or the
2 requirements shall result in the investigation of a complaint
3 initiated by the department, and the licensee is subject to the
4 penalties prescribed in this act.

5 (9) Before ~~the effective date of the amendatory act that added~~
6 ~~subsection (10),~~ **SEPTEMBER 16, 2014**, a licensed residential builder
7 or residential alteration and maintenance contractor may apply for
8 inactive status by completing an application, made available by the
9 department, in which he or she declares that he or she is no longer
10 actively engaged in the practice authorized by his or her license
11 and temporarily intends to suspend activity authorized by his or
12 her license. If a completed application is submitted, the
13 department shall designate the licensee as inactive and note that
14 status on records available to the public. A licensee who is
15 designated as inactive must have a current copy of the Michigan
16 residential code and is exempt from the continuing competency
17 requirements imposed under this section, but must still pay the
18 per-year license fee. An inactive licensee may activate his or her
19 license by submitting an application to the department requesting
20 activation of the license. If the department activates an inactive
21 license, the licensee must complete at least 1 credit hour of
22 activities that demonstrate continuing competency for that calendar
23 year.

24 (10) An individual licensee who applied for and was designated
25 inactive under subsection (9) before ~~the effective date of this~~
26 ~~subsection~~ **SEPTEMBER 16, 2014** may remain in inactive status after
27 that ~~effective date~~ by complying with the requirements of

1 subsection (9). A licensee who remains in inactive status after ~~the~~
2 ~~effective date of this subsection~~ **SEPTEMBER 16, 2014** is exempt from
3 the continuing competency requirements of this section while he or
4 she remains in inactive status. A licensee may activate his or her
5 license by submitting an application to the department requesting
6 activation of the license. If his or her license is activated, the
7 licensee must complete at least 1 credit hour of activities that
8 demonstrate continuing competency for that calendar year.

9 (11) Subject to subsection (13), an applicant for initial
10 licensure as a residential builder or residential maintenance and
11 alteration contractor is exempt from the requirements of subsection
12 (1) if he or she meets all of the following:

13 (a) Served in the armed forces.

14 (b) While serving in the armed forces, was engaged in the
15 erection, construction, replacement, repair, alteration, or
16 demolition of buildings or other structures.

17 (c) Was separated from service in the armed forces, and
18 provides to the department a form DD214, form DD215, or any other
19 form that is satisfactory to the department that demonstrates that
20 he or she was separated from that service, with an honorable
21 character of service or under honorable conditions (general)
22 character of service.

23 (d) Has, and provides with his or her application an affidavit
24 signed by a commanding officer, supervisor, or military superior
25 with direct knowledge of the applicant's service that he or she
26 has, entry-level experience in or basic knowledge of each of the
27 areas of competency described in subsection (1)(a) to (g).

1 (12) If an applicant who otherwise meets the requirements of
2 subsection (11) does not have entry-level experience in or basic
3 knowledge of each of the areas of competency described in
4 subsection (1)(a) to (g), he or she may provide with his or her
5 application an affidavit signed by a commanding officer,
6 supervisor, or military superior with direct knowledge of the
7 applicant's service that states in which of those areas of
8 competency the applicant has entry-level experience or basic
9 knowledge, and the department may in its discretion grant the
10 applicant credit toward the 60-hour prelicensure education
11 requirement of subsection (1) based on that experience or
12 knowledge.

13 (13) If an applicant for initial licensure as a residential
14 builder or residential maintenance and alteration contractor
15 described in subsection (11) does not pass the examination for that
16 license the first time he or she takes the examination, that
17 applicant may not retake the examination until he or she
18 successfully completes a prelicensure course of study described in
19 subsection (1).

20 ~~(14) As used in the section, "armed forces" means that term as~~
21 ~~defined in section 2 of the veteran right to employment services~~
22 ~~act, 1994 PA 39, MCL 35.1092.~~

23 Enacting section 1. Section 517 of the occupational code, 1980
24 PA 299, MCL 339.517, is repealed.

25 Enacting section 2. This amendatory act takes effect July 1,
26 2016.

27 Enacting section 3. This amendatory act does not take effect

1 unless all of the following bills of the 98th Legislature are
2 enacted into law:

3 (a) Senate Bill No. 162.

4 (b) Senate Bill No. 164.

5 (c) House Bill No. 4253.

6 (d) House Bill No. 4254.

7 (e) House Bill No. 4255.