

**HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 162**

A bill to amend 1968 PA 330, entitled  
"Private security business and security alarm act,"  
by amending the title and sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,  
13, 14, 15, 16, 17, 18, 22, 25, 26, 29, 31, and 33 (MCL 338.1052,  
338.1053, 338.1054, 338.1055, 338.1056, 338.1057, 338.1058,  
338.1059, 338.1060, 338.1061, 338.1063, 338.1064, 338.1065,  
338.1066, 338.1067, 338.1068, 338.1072, 338.1075, 338.1076,  
338.1079, 338.1081, and 338.1083), the title and sections 3, 4, 7,  
8, 14, 17, 25, and 29 as amended by 2010 PA 68, section 2 as  
amended by 2012 PA 581, sections 6 and 9 as amended by 2014 PA 128,  
sections 10, 13, 18, and 31 as amended by 2002 PA 473, section 11  
as amended by 2004 PA 270, and sections 22 and 33 as amended by  
2000 PA 411, and by adding section 15a; and to repeal acts and

parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 TITLE

2 An act to license and regulate ~~private security guards,~~  
 3 private security police **FORCES**, ~~private security guard agencies,~~  
 4 private college security forces, and security alarm systems  
 5 servicing, installing, operating, and monitoring; ~~to provide~~  
 6 ~~penalties for violations;~~ to protect the general public against  
 7 unauthorized, unlicensed, and unethical operations by individuals  
 8 **PERSONS** engaged in ~~private security activity or security alarm~~  
 9 ~~systems sales, installations, service, maintenance, and operations;~~  
 10 ~~to establish minimum qualifications for individuals as well as~~  
 11 ~~private agencies engaged in the security business and security~~  
 12 ~~alarm systems and operations;~~ **ACTIVITIES REGULATED UNDER THIS ACT;**  
 13 to impose ~~certain fees; to create certain funds;~~ and to prescribe  
 14 ~~certain powers and duties of certain private colleges~~ **THAT EMPLOY**  
 15 **OR ENGAGE PRIVATE COLLEGE SECURITY FORCES, PERSONS THAT EMPLOY OR**  
 16 **ENGAGE PRIVATE SECURITY POLICE FORCES,** and certain state  
 17 departments, agencies, and officers; **AND TO PRESCRIBE REMEDIES AND**  
 18 **PENALTIES.**

19 Sec. 2. (1) As used in this act:

20 (A) "ARMED FORCES" MEANS THAT TERM AS DEFINED IN SECTION 2 OF  
 21 THE VETERAN RIGHT TO EMPLOYMENT SERVICES ACT, 1994 PA 39, MCL  
 22 35.1092.

23 (B) ~~(a)~~ "Commission" means the commission on law enforcement  
 24 standards created under section 3 of the commission on law  
 25 enforcement standards act, 1965 PA 203, MCL 28.603.

(C) ~~(b)~~—"Department" means **1 OF THE FOLLOWING:**

(i) **IN REFERENCE TO THE REGULATION OF SECURITY ALARM SYSTEM CONTRACTORS, SECURITY ALARM SYSTEM AGENTS, OR SECURITY ALARM SYSTEM SALES, INSTALLATION, SERVICE, MAINTENANCE, OR OPERATIONS,** the department of licensing and regulatory affairs. ~~, except that in~~

(ii) **IN** reference to the regulation of private security police and private college security forces, ~~department means~~ the department of state police.

(D) **"GOOD CHARACTER" MEANS GOOD MORAL CHARACTER AS DEFINED AND DETERMINED UNDER 1974 PA 381, MCL 338.41 TO 338.47.**

(E) ~~(e)~~—"Governing board" means a board of regents, board of trustees, board of governors, board of control, or other governing body of an institution of higher education.

(F) ~~(d)~~—"Licensee" means a person licensed under this act.

(G) ~~(e)~~—"Person" means an individual, limited liability company, corporation, or other legal entity.

(H) **"PRINCIPAL LICENSE HOLDER" MEANS AN INDIVIDUAL DESIGNATED UNDER SECTION 15A.**

(I) ~~(f)~~—"Private college security force" means a security force authorized under section 37.

(J) ~~(g)~~—"Private security guard" means an individual or an employee of an employer who offers, for hire, to provide protection of property on the premises of another, and includes an employee of a private college security force **OR PRIVATE SECURITY POLICE FORCE.**

(K) ~~(h)~~—"Private security police **FORCE**" means that part of a business organization or educational institution primarily responsible for the protection of property on the premises of the

1 business organization **OR EDUCATIONAL INSTITUTION**, but does not  
2 include a private college security force.

3 (I) ~~(i)~~—"Security alarm system" means a detection device or an  
4 assembly of equipment and devices that is arranged to signal the  
5 presence of a hazard that requires urgent attention and is remotely  
6 monitored by a central monitoring system. Security alarm system  
7 includes any system that can electronically cause an expected  
8 response by a law enforcement agency to a premises by means of the  
9 activation of an audible signal, visible signal, electronic  
10 notification, or video signal, or any combination of these signals,  
11 to a remote monitoring location on or off the premises. Security  
12 alarm system does not include any of the following:

13 (i) A video signal that is not transmitted over a public  
14 communication system.

15 (ii) A fire alarm system.

16 (iii) An alarm system that monitors temperature, humidity, or  
17 other condition that is not directly related to the detection of an  
18 unauthorized intrusion into a premises or an attempted robbery at a  
19 premises.

20 (iv) A system that is not monitored by a central monitoring  
21 station and does not set off an audible alarm.

22 (M) ~~(j)~~—"Security alarm system agent" means an individual  
23 employed by a security alarm system contractor whose duties include  
24 the altering, installing, maintaining, moving, repairing,  
25 replacing, selling, servicing, monitoring, responding to, or  
26 causing others to respond to a security alarm system.

27 (N) ~~(k)~~—"Security alarm system contractor" means a person **THAT**

1 IS engaged in the installation, maintenance, alteration,  
2 monitoring, or servicing of security alarm systems or ~~who~~ THAT  
3 responds to a security alarm system. Security alarm system  
4 contractor does not include a ~~ANY OF THE FOLLOWING:~~

5 (i) A business that only sells or manufactures security alarm  
6 systems unless the business services security alarm systems,  
7 installs security alarm systems, monitors or arranges for the  
8 monitoring of a security alarm system, or responds to security  
9 alarm systems at a protected premises.

10 (ii) A SECURITY GUARD AGENCY THAT IS LICENSED UNDER ARTICLE  
11 14A OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.1421 TO  
12 339.1443, AND WHOSE EMPLOYEES OR AGENTS USE CLIENT-INSTALLED  
13 EQUIPMENT OR EQUIPMENT INSTALLED BY A SECURITY ALARM SYSTEM  
14 CONTRACTOR THAT IS LICENSED UNDER THIS ACT FOR THE PURPOSE OF  
15 PROTECTING THE PERSONNEL AND PROPERTY OF A CLIENT OF THE SECURITY  
16 GUARD AGENCY. AS USED IN THIS SUBPARAGRAPH:

17 (A) "EQUIPMENT" INCLUDES, BUT IS NOT LIMITED TO, ACCESS  
18 CONTROL EQUIPMENT; VIDEO SURVEILLANCE AND RECORDING EQUIPMENT;  
19 AUDIO COMMUNICATION EQUIPMENT; INTRUSION DETECTION AND PREVENTION  
20 EQUIPMENT; AND AUTOMATED BARRIERS.

21 (B) "NORMAL END USER FUNCTIONS" INCLUDES, BUT IS NOT LIMITED  
22 TO, VIDEO AND ALARM MONITORING; RETRIEVING VIDEO HISTORY FOR USE BY  
23 A CLIENT, SECURITY, OR LAW ENFORCEMENT; ALLOWING OR DENYING ENTRY  
24 TO INDIVIDUALS OR VEHICLES BY CONTROLLED ACCESS EQUIPMENT;  
25 MAINTAINING DATABASES; OR AUDIO COMMUNICATION. NORMAL END USER  
26 FUNCTIONS MAY BE PERFORMED ON-SITE OR FROM A REMOTE FACILITY OF A  
27 CLIENT.

(C) "USE" MEANS ONLY NORMAL END USER FUNCTIONS AND CAPABILITY THAT IS INSTALLED OR PROVIDED BY A SECURITY ALARM SYSTEM CONTRACTOR TO A CLIENT.

(iii) A SECURITY GUARD AGENCY THAT IS LICENSED UNDER ARTICLE 14A OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL 339.1421 TO 339.1443, AND WHOSE EMPLOYEES OR AGENTS RESPOND TO BURGLAR, FIRE, OR SUPERVISORY ALARMS FOR THE PURPOSE OF SECURING THE PROPERTY AND ENSURING THE SAFETY OF INDIVIDUALS IN OR ON THAT PROPERTY. AS USED IN THIS SUBPARAGRAPH, "RESPOND" MAY INCLUDE REVIEWING ALARM HISTORY, RESETTING THE ALARM, AND, IF AUTHORIZED, PERFORMING OTHER NORMAL END USER TASKS INCLUDING BYPASSING A PROTECTED ZONE IF NECESSARY TO RESET THE ALARM SYSTEM.

(O) ~~(I)~~ "Security business" means a person engaged in offering, arranging, or providing 1 or more of the following services:

(i) Security alarm system installation, service, maintenance, alteration, or monitoring.

~~(ii) Private security guard.~~

(ii) ~~(iii)~~ Private security police.

(2) ~~All businesses that provide~~ **EXCEPT AS PROVIDED IN SUBSECTION (5), A PERSON THAT PROVIDES** security alarm systems for the protection of persons and property and whose employees and security technicians travel on public property and thoroughfares in the pursuit of their duties ~~are~~ **IS** subject to this act.

(3) A communications common carrier that provides communications channels under tariffs for the transmission of signals in connection with an alarm system is not subject to this

1 act.

2 (4) A railroad ~~police~~**POLICE OFFICER** who is appointed and  
3 commissioned under the railroad code of 1993, 1993 PA 354, MCL  
4 462.101 to 462.451, is not subject to this act.

5 (5) A system provider, as defined in section 2 of the security  
6 alarm systems act, **2012 PA 580, MCL 338.2182**, that is ~~registered~~  
7 **HAS FILED A REGISTRATION STATEMENT WITH THE DEPARTMENT** under the  
8 security alarm systems act, **2012 PA 580, MCL 338.2181 TO 338.2187**,  
9 is not subject to this act.

10 Sec. 3. (1) Unless licensed under this act, a ~~sole~~  
11 ~~proprietorship, firm, company, partnership, limited liability~~  
12 ~~company, or corporation~~**PERSON** shall not engage in the business of  
13 **A** security alarm system contractor ~~, private security guard, OR OF~~  
14 **PROVIDING A** private security police ~~, FORCE OR~~ private college  
15 security force. ~~, patrol service, or an agency furnishing those~~  
16 ~~services. A person, firm, company, partnership, limited liability~~  
17 ~~company, or corporation~~ shall not advertise its business to be that  
18 of security alarm system contractor, security alarm system agent,  
19 ~~private security guard agency, or an agency furnishing those~~  
20 services without having first obtained from the department a  
21 license to do so for each office and branch office to be owned,  
22 conducted, managed, or maintained for the conduct of that business.

23 (2) A person **THAT IS SUBJECT TO THIS ACT** shall not sell,  
24 install, operate, adjust, arrange for, or contract to provide a  
25 device ~~which upon activation, THAT IF ACTIVATED~~, either  
26 mechanically, electronically, or by any other means, initiates the  
27 automatic calling or dialing of, or makes a connection directly to,

1 a telephone assigned to a public service, utility, or police  
 2 agency, for the purpose of delivering a recorded message, without  
 3 first receiving written permission from that service, utility, or  
 4 agency.

5 (3) A person ~~who~~**THAT** violates this section is guilty of a  
 6 felony punishable by imprisonment for not more than 4 years or a  
 7 fine of not more than \$1,000.00, or both.

8 Sec. 4. (1) The department may issue separate licenses to  
 9 security alarm system contractors, private college security forces,  
 10 **AND** private security police. ~~, and private security guard agencies.~~

11 (2) This ~~section~~**ACT** does not prevent a private detective or  
 12 private investigator licensed under the professional investigator  
 13 licensure act, 1965 PA 285, MCL 338.821 to 338.851, from performing  
 14 the services of a ~~AN OFFICER OF A private security guard~~**COLLEGE**  
 15 **SECURITY FORCE** or private security police ~~except that a~~**FORCE.**  
 16 **HOWEVER, AN OFFICER OF A private COLLEGE security guard**~~FORCE~~ or  
 17 private security police **FORCE** may not perform the services of a  
 18 private detective or private investigator without obtaining a  
 19 private detective or private investigator license **UNDER THAT ACT.**

20 Sec. 5. (1) ~~The department, upon~~**IF IT RECEIVES A** proper  
 21 application and ~~upon being~~**IS** satisfied that the applicant is  
 22 qualified, **THE DEPARTMENT** shall issue ~~the~~**AN** applicant a license to  
 23 conduct business as ~~an~~**A SECURITY** alarm system contractor ~~or a~~  
 24 ~~private security guard or agency~~ for a period of 2 years from date  
 25 of issuance. ~~Upon the issuance of a license to conduct business as~~  
 26 ~~an alarm system contractor or a private security guard or agency,~~  
 27 ~~the applicant shall not be~~



(2) A PERSON THAT IS LICENSED UNDER THIS ACT AS A SECURITY ALARM SYSTEM CONTRACTOR, PRIVATE COLLEGE SECURITY FORCE, OR PRIVATE SECURITY POLICE FORCE IS NOT required to obtain any other license from a municipality or political subdivision of this state TO CONDUCT BUSINESS AS A SECURITY ALARM SYSTEM CONTRACTOR, PRIVATE COLLEGE SECURITY FORCE, OR PRIVATE SECURITY POLICE FORCE IN THAT MUNICIPALITY OR POLITICAL SUBDIVISION.

Sec. 6. ~~(1)~~ The department shall issue a license to conduct business as a security alarm system contractor, ~~or a private COLLEGE security guard, FORCE, OR private security police, or to a private security guard business, FORCE~~ 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~~ **AT LEAST** 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.~~ **GRADUATED FROM HIGH SCHOOL OR PASSED THE GENERAL EDUCATION DEVELOPMENT (GED) TEST OR ANOTHER GRADUATE EQUIVALENCY EXAMINATION APPROVED BY THE DEPARTMENT.**

(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.

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

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

8 (g) If the applicant is applying for a private security ~~guard~~  
9 ~~or agency~~ **POLICE FORCE** license, meets any of the following:

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

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

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

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

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

13 (A) Enforcing rules, regulations, and guidelines.

14 (B) Providing security and physical protection.

15 (C) Area and site security operations.

16 (D) Overseeing prisoners and correctional facilities.

17 (E) Reconnaissance and surveillance.

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

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

23 (ii) A security alarm system contractor business for a period  
24 of ~~not less than~~ **AT LEAST** 4 years as an employee of the holder of a  
25 certificate of authority to conduct a security alarm system  
26 contractor business, and has experience reasonably equivalent to at  
27 least 4 years of full-time work in a supervisory capacity or passes

1 a written exam administered by the department designed to measure  
2 his or her knowledge and training in security alarm systems.

3 (i) ~~Provided~~ **HAS PROVIDED** the department the ~~bond or surety~~  
4 **PROOF OF INSURANCE** required under section 9.

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

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

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

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

16 Sec. 7. (1) The department shall prepare a uniform application  
17 for the particular license and shall require the person filing the  
18 application to obtain reference statements from at least 5  
19 reputable citizens who have known the applicant for a period of at  
20 least 5 years, who can attest that the applicant is honest, of good  
21 character, and competent, and who are not related or connected to  
22 the applicant by blood or marriage.

23 (2) Upon receipt of the application and application fee, the  
24 department shall investigate the applicant's qualifications for  
25 licensure.

26 (3) Except for a private college security force, the  
27 application and investigation are not considered complete until the

1 applicant has received the approval of the prosecuting attorney and  
 2 the sheriff of the county in this state within which the principal  
 3 office of the applicant is to be located. If the office is to be  
 4 located in a city, township, or village, the approval of the chief  
 5 of police may be obtained instead of the sheriff. Branch offices  
 6 and branch managers shall be similarly approved.

7 (4) If ~~a person has not previously been~~ **THE DEPARTMENT HAS NOT**  
 8 **PREVIOUSLY** denied **THE APPLICANT** a license or ~~has not had a~~  
 9 **SUSPENDED OR REVOKED A** previous license ~~suspended or revoked,~~ **HELD**  
 10 **BY THE APPLICANT, AND THE APPLICANT PAYS THE APPLICABLE FEE UNDER**  
 11 **SECTION 9,** the department may issue a nonrenewable temporary  
 12 license to an applicant. If approved by the department, the  
 13 temporary license is valid until ~~1 or more~~ **THE DATE THAT ANY** of the  
 14 following occur, ~~but not to exceed~~ **OR UNTIL** 120 days **HAVE PASSED**  
 15 **SINCE THE ISSUANCE OF THE TEMPORARY LICENSE, WHICHEVER OCCURS**  
 16 **FIRST:**

17 (a) The completion of the investigations and approvals  
 18 required under subsections (1), (2), and (3).

19 (b) The completion of the investigation of the subject matter  
 20 addressed in section 6.

21 (c) The completion of the investigation of any employees of  
 22 the licensee as further described in section 17.

23 (d) Confirmation of compliance with the ~~bonding or~~ **PROOF OF**  
 24 insurance ~~requirements imposed in~~ **REQUIREMENT UNDER** section 9.

25 (e) The applicant fails to meet 1 or more of the requirements  
 26 for licensure ~~imposed~~ under this act.

27 ~~— (5) The fees for a temporary license shall be the applicable~~

1 ~~fees as described in section 9.~~

2 (5) ~~(6)~~ This section does not apply to a private college  
3 security force.

4 Sec. 8. (1) ~~Each~~ **AN** applicant, **IF THE APPLICANT IS AN**  
5 **INDIVIDUAL, OR THE PRINCIPAL LICENSE HOLDER OF ANY OTHER APPLICANT,**  
6 **FOR A LICENSE UNDER THIS ACT** shall sign and verify the ~~AN~~  
7 application. ~~Each~~ **FOR THAT LICENSE. THE** application shall contain  
8 at least all of the following:

9 ~~—— (a) The name and principal address where the individual or~~  
10 ~~business entity is located in this state.~~

11 ~~—— (b) The address and location of any branch office of the~~  
12 ~~business.~~

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

15 (B) **IF THE APPLICANT IS NOT THE LICENSEE, THE LICENSEE'S NAME**  
16 **AND THE ADDRESS OF THE LICENSEE'S PRINCIPAL PLACE OF BUSINESS.**

17 (C) **THE ADDRESS OF EACH LOCATION IN THIS STATE, INCLUDING ANY**  
18 **BRANCH OFFICES IN THIS STATE, AT WHICH THE LICENSEE CONDUCTS OR**  
19 **WILL CONDUCT BUSINESS.**

20 (D) **IF APPLICABLE, THE NAME OF THE INDIVIDUAL DESIGNATED BY**  
21 **THE APPLICANT OR LICENSEE AS THE PRINCIPAL LICENSE HOLDER OF THE**  
22 **LICENSEE.**

23 (E) ~~(e)~~ The certificate of incorporation of the business, if  
24 applicable.

25 ~~—— (2) Each applicant shall submit 2 passport quality photographs~~  
26 ~~of the applicant with the application. If the applicant is a~~  
27 ~~business entity, the resident manager of the business shall submit~~

~~2 passport quality photographs of himself or herself.~~

(2) ~~(3)~~ This section does not apply to a private college security force.

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~~ **A PERSON** other than **AN INDIVIDUAL OR** 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,~~ **NOT AN INDIVIDUAL**, \$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.~~ THE DEPARTMENT SHALL NOT ISSUE A

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

(5) If a licensee intends to open 1 or more branch offices, the licensees ~~LICENSEE~~ 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~~



1 ~~alarm system contractor branch office license.~~

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

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

9 (8) Beginning July 23, 2004, the department shall issue or  
10 deny an application for an initial or renewal license within 180  
11 days after the applicant files a completed application. An  
12 application is considered received on the date the application is  
13 received by any agency or department of this state. If an  
14 application is considered incomplete by the department, the  
15 department shall notify the applicant in writing, or make the  
16 information electronically available, within 30 days after the  
17 department receives the incomplete application, describing the  
18 deficiency and requesting the additional information. A 180-day  
19 period described in this subsection is tolled from the date the  
20 department notifies the applicant of a deficiency until the date  
21 the requested information is received by the department. The  
22 determination of the completeness of an application does not  
23 operate as an approval of the application for the license and does  
24 not confer eligibility of an applicant determined otherwise  
25 ineligible for issuance of a license.

26 (9) If the department fails to issue or deny a license in the  
27 time required under this section, the department shall return the

1 license fee and shall reduce the license fee for the applicant's  
2 next renewal application, if any, by 15%. The failure to issue a  
3 license in the time required under this section does not allow the  
4 department to otherwise delay the processing of an application, and  
5 on completion, the department shall place the application in  
6 sequence with any other completed applications received at that  
7 same time. The department shall not discriminate against an  
8 applicant in processing an application based on the fact that the  
9 license fee was refunded or discounted under this subsection.

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

16 (a) The number of initial and renewal applications the  
17 department received and completed within the 180-day time period  
18 described in subsection (8).

19 (b) The number of applications denied.

20 (c) The number of applicants not issued a license within the  
21 180-day time period and the amount of money returned to licensees  
22 and registrants under subsection ~~(8)~~ (9).

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

26 (12) The security business fund is created in the state  
27 treasury. The department shall ~~deposit~~ **FORWARD** all license fees

1 collected under this act **TO THE STATE TREASURER FOR DEPOSIT** into  
2 the fund. The state treasurer may receive money or other assets  
3 from any source for deposit into the fund. The state treasurer  
4 shall direct the investment of the fund. The state treasurer shall  
5 credit to the fund interest and earnings from fund investments.  
6 Money in the fund at the close of the fiscal year shall remain in  
7 the fund and be available for appropriation and expenditure by the  
8 department in subsequent fiscal years. The money in the fund shall  
9 not lapse to the general fund. The department shall expend money  
10 from the fund, on appropriation, only for enforcement and  
11 administration of this act. The department is the administrator of  
12 the fund for auditing purposes.

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

22 (14) As used in this section, "completed application" means an  
23 application that is complete on its face and submitted with any  
24 applicable licensing fees and any other information, records,  
25 approval, security, or similar item required by law or rule from a  
26 local unit of government, a federal agency, or a private person but  
27 not from another department or agency of this state.

1       Sec. 10. (1) The department may revoke any license issued  
2 under this act if it determines, upon good cause shown, that the  
3 licensee or his or her manager, if the licensee is an individual,  
4 or if the licensee is not an individual, that any of its officers,  
5 directors, partners or its manager, has done any of the following:

6       (a) Made any false statements or given any false information  
7 in connection with an application for a license or a renewal or  
8 reinstatement of a license.

9       (b) Violated any provision of this act.

10       (c) Been, while licensed or employed by a licensee, convicted  
11 of a felony or a misdemeanor involving any of the following:

12       (i) Dishonesty or fraud.

13       (ii) Unauthorized divulging or selling of information or  
14 evidence.

15       (iii) Impersonation of a law enforcement officer or employee  
16 of the United States, this state, or a political subdivision of  
17 this state.

18       (iv) Illegally using, carrying, or possessing a dangerous  
19 weapon.

20       (v) Two or more alcohol related offenses.

21       (vi) Controlled substances under the public health code, 1978  
22 PA 368, MCL 333.1101 to 333.25211.

23       (vii) An assault.

24       (d) Knowingly submitted any of the following:

25       (i) A name other than the true name of a prospective employee.

26       (ii) Fingerprints ~~not belonging~~ **THAT DO NOT BELONG** to the  
27 prospective employee.

1 (iii) False identifying information in connection with the  
2 application of a prospective employee.

3 (2) The department shall not renew a license of a licensee ~~who~~  
4 **THAT** owes any fine or fee to the department at the time for a  
5 renewal.

6 (3) Within 48 hours after notification from the department of  
7 the revocation of a license under this act, the licensee shall  
8 surrender the license. ~~and the identification card issued under~~  
9 ~~section 14. A person who~~ **THAT** violates this subsection is guilty of  
10 a misdemeanor punishable by imprisonment for not more than 93 days  
11 or a fine of not more than \$500.00, or both.

12 Sec. 11. The department shall not refund a license or  
13 application fee unless a showing is made of mistake, inadvertence,  
14 error in the collection of the fee, or noncompliance with the time  
15 periods described in section ~~9(5)~~ **9(8)**.

16 Sec. 13. (1) ~~Any~~ **A LICENSEE SHALL REPORT ANY** change in the  
17 name or location of ~~the agency or of a branch office or subagency~~  
18 ~~shall be reported by the~~ **A licensee OR BRANCH OFFICE** to the  
19 department at least 10 days before the change becomes effective. ~~7~~  
20 ~~upon receipt of which~~ **IF IT RECEIVES A REPORT UNDER THIS**  
21 **SUBSECTION**, the department shall prepare and forward a certificate  
22 showing the change. The licensee shall return the old certificate  
23 within 3 business days after the change.

24 (2) Failure to notify the department of a change in name or  
25 location **UNDER THIS SECTION** may result in license suspension.

26 Sec. 14. ~~(1) Upon issuing a license, the department shall~~  
27 ~~issue an identification card to the principal license holder, and~~

~~if the licensee is a partner in a partnership to each partner, and  
if the license holder is a corporation to each resident officer or  
manager but only if requested by a resident officer or manager.~~

~~—— (2) The form and contents of the identification card shall be  
prescribed by the department, and the card shall be recalled by the  
department if the license is revoked.~~

~~—— (3) Only 1 identification card shall be issued for each person  
entitled to receive it. The licensee is responsible for the  
maintenance, custody, and control of the identification card and  
shall not let, loan, sell, or otherwise permit unauthorized persons  
or employees to use it. This section does not prevent an agency  
from issuing its own identification cards to its employees if they  
are approved as to form and content by the department. The  
individual card shall not bear the seal of the state, and the  
employee shall be designated as either security alarm system agent,  
private security police officer, private college security force  
officer, security guard, or security technician.~~

~~(1) (4) The department may suspend a license issued under this  
act if the licensee fails to comply with any of the requirements of  
this act. Unless a license is required to be revoked for a  
violation of this act, the department shall reinstate a suspended  
license upon IF the licensee complying COMPLIES with this act and  
the licensee paying PAYS a \$100.00 reinstatement fee.~~

~~(2) (5) Upon IF IT RECEIVES A proper application and for  
sufficient reasons shown, the department may issue duplicates A  
DUPLICATE of the original certificate of license. or identification  
card.~~

1       Sec. 15. (1) A license issued under the provisions of this act  
2 is not assignable, and is personal to ~~such~~ THE licensee.

3       (2) A DESIGNATION OF AN INDIVIDUAL AS A LICENSEE'S PRINCIPAL  
4 LICENSE HOLDER UNDER SECTION 15A IS NOT AN ASSIGNMENT OF THE  
5 LICENSE OF THE LICENSEE UNDER SUBSECTION (1).

6       SEC. 15A. (1) A LICENSEE THAT IS NOT AN INDIVIDUAL, OR AN  
7 APPLICANT THAT IS APPLYING FOR A LICENSE ON BEHALF OF A PERSON THAT  
8 IS NOT AN INDIVIDUAL, AS APPLICABLE, SHALL DESIGNATE AN INDIVIDUAL  
9 AS THE PRINCIPAL LICENSE HOLDER OF THAT LICENSEE.

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

13       (3) IF ITS PRINCIPAL LICENSE HOLDER IS NO LONGER AUTHORIZED TO  
14 ACT IN THAT CAPACITY ON THE LICENSEE'S BEHALF, OR IS NO LONGER  
15 AVAILABLE TO ACT IN THAT CAPACITY FOR ANY REASON, THE LICENSE IS  
16 AUTOMATICALLY SUSPENDED. HOWEVER, ON REQUEST, THE DEPARTMENT MAY  
17 PERMIT THE LICENSE TO STAY IN FORCE FOR 90 DAYS FROM THE DATE THE  
18 PRINCIPAL LICENSE HOLDER WAS NO LONGER AUTHORIZED OR AVAILABLE TO  
19 ACT ON THE LICENSEE'S BEHALF, TO ALLOW THE LICENSEE TO DESIGNATE A  
20 DIFFERENT INDIVIDUAL, WHO MEETS THE REQUIREMENTS OF SECTION 6, AS  
21 ITS PRINCIPAL LICENSE HOLDER. THE LICENSEE SHALL DO ALL OF THE  
22 FOLLOWING WITHIN 10 DAYS AFTER IT MAKES THAT DESIGNATION:

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

25       (B) PROVIDE TO THE DEPARTMENT THE NAME AND BUSINESS ADDRESS OF  
26 THE INDIVIDUAL, AND ANY OTHER INFORMATION ABOUT THE INDIVIDUAL  
27 REASONABLY REQUIRED BY THE DEPARTMENT.

1           (4) IF A LICENSEE DESIGNATING A DIFFERENT INDIVIDUAL AS ITS  
 2   PRINCIPAL LICENSE HOLDER DOES NOT COMPLY WITH SUBSECTION (3), OR  
 3   THE DEPARTMENT DOES NOT APPROVE OF THE DESIGNATION OF THAT  
 4   INDIVIDUAL AS THE LICENSEE'S PRINCIPAL LICENSE HOLDER,  
 5   THE DEPARTMENT SHALL NOTIFY THE LICENSEE OF ITS DISAPPROVAL. WITHIN  
 6   30 DAYS AFTER RECEIVING THAT NOTIFICATION, THE LICENSEE SHALL  
 7   DESIGNATE ANOTHER INDIVIDUAL UNDER SUBSECTION (1) AND MEET THE  
 8   REQUIREMENTS OF THIS SECTION FOR APPROVAL OF THAT INDIVIDUAL BY THE  
 9   DEPARTMENT AS ITS PRINCIPAL LICENSE HOLDER.

10           (5) IF A LICENSEE IS REQUIRED TO HAVE A PRINCIPAL LICENSE  
 11   HOLDER UNDER THIS SECTION, THAT LICENSE IS AUTOMATICALLY SUSPENDED  
 12   DURING ANY PERIOD OF TIME THE LICENSEE HAS NOT DESIGNATED A  
 13   PRINCIPAL LICENSE HOLDER AND NOTIFIED THE DEPARTMENT OF THAT  
 14   DESIGNATION. HOWEVER, ON REQUEST, THE DEPARTMENT MAY PERMIT THE  
 15   LICENSE TO STAY IN FORCE FOR 60 DAYS TO ALLOW THE LICENSEE TO  
 16   DESIGNATE A PRINCIPAL LICENSE HOLDER.

17           Sec. 16. (1) A person shall not manufacture a badge or shield  
 18   ~~which~~ THAT purports to indicate that the holder is a licensed  
 19   SECURITY alarm system contractor ~~, OR SECURITY alarm system agent,~~  
 20   ~~private security guard or agency, or any of those persons as~~  
 21   ~~listed, in section 2.~~ A PRIVATE COLLEGE SECURITY OFFICER OR PRIVATE  
 22   SECURITY POLICE OFFICER, OR AN OFFICER OF A PRIVATE COLLEGE  
 23   SECURITY FORCE OR PRIVATE SECURITY POLICE FORCE. A person shall not  
 24   ~~display~~ OFFER for sale a badge, shield, identification card, or  
 25   certificate of license ~~, by which the~~ THAT, IF WORN, OR DISPLAYED,  
 26   OR SHOWN TO THE PUBLIC BY A holder, might mislead the public into  
 27   thinking that the holder is a licensed SECURITY alarm system



1 contractor ~~, OR SECURITY~~ alarm system agent, ~~or private security~~  
 2 ~~guard, or agency.~~ **A PRIVATE COLLEGE SECURITY OFFICER OR PRIVATE**  
 3 **SECURITY POLICE OFFICER, OR AN OFFICER OF A PRIVATE COLLEGE**  
 4 **SECURITY FORCE OR PRIVATE SECURITY POLICE FORCE.**

5 (2) A person, ~~firm, company, partnership, or corporation~~ shall  
 6 not distribute an identification card or certificate of license in  
 7 this state except as provided ~~by~~ **UNDER** this act.

8 (3) A person shall not knowingly buy or receive from a source  
 9 a form of spurious identification as ~~an~~ **A SECURITY** alarm system  
 10 contractor ~~, OR SECURITY~~ alarm system agent, ~~or a private security~~  
 11 ~~guard or agency.~~ **A PRIVATE COLLEGE SECURITY OFFICER OR PRIVATE**  
 12 **SECURITY POLICE OFFICER, OR AN OFFICER OF A PRIVATE COLLEGE**  
 13 **SECURITY FORCE OR PRIVATE SECURITY POLICE FORCE.**

14 (4) A violation of this section is a misdemeanor, and **IF A LAW**  
 15 **ENFORCEMENT OFFICER OF THIS STATE SEES** an unauthorized  
 16 identification card or certificate of license, ~~shall be confiscated~~  
 17 ~~by a law enforcement officer of the state.~~ **HE OR SHE SHALL**  
 18 **CONFISCATE IT.** Each day the violation **OF THIS SECTION** continues  
 19 ~~shall constitute~~ **CONSTITUTES** a separate offense.

20 Sec. 17. (1) A licensee may employ as many ~~persons as he or~~  
 21 ~~she~~ **INDIVIDUALS AS THE LICENSEE** considers necessary to assist him  
 22 ~~or her in his or her~~ **THE LICENSEE IN ITS** work ~~of~~ **AS A** security  
 23 alarm system contractor, private security police **FORCE, OR** private  
 24 college security force ~~, or private security guard~~ and in the  
 25 conduct of ~~his or her~~ **THE LICENSEE'S** business. ~~, and~~ **A LICENSEE IS**  
 26 at all times during the employment **OF AN INDIVIDUAL** ~~is~~ accountable  
 27 for the good conduct in the business of ~~each person so~~

1 employed. **THAT INDIVIDUAL.**

2 ~~—— (2) Employees in the employ of a licensee after March 28, 2001~~  
 3 ~~shall meet the qualifications outlined in section 6(1)(c), (e),~~  
 4 ~~(j), and (k), be at least 18 years of age, and have had at least an~~  
 5 ~~eighth grade education or its equivalent. An employee in the employ~~  
 6 ~~of a licensee on or before March 28, 2001 shall meet the~~  
 7 ~~qualifications outlined in section 6(1)(d), (e), (j), and (k), be~~  
 8 ~~at least 18 years of age, and have had at least an eighth grade~~  
 9 ~~education or its equivalent. Employees hired by a licensee after~~  
 10 ~~June 21, 2002 shall meet the qualifications outlined in section~~  
 11 ~~6(1)(c), (e), (j), and (k), be at least 18 years of age, and have~~  
 12 ~~at least a high school diploma, a CED, or its equivalent.~~

13 **(2) A LICENSEE SHALL NOT EMPLOY AN INDIVIDUAL UNLESS HE OR SHE**  
 14 **IS AT LEAST 18 YEARS OF AGE AND MEETS 1 OF THE FOLLOWING:**

15 **(A) IF THE INDIVIDUAL WAS HIRED BY THE LICENSEE ON OR BEFORE**  
 16 **MARCH 28, 2001, ALL OF THE FOLLOWING:**

17 **(i) HE OR SHE WAS NOT CONVICTED OF A FELONY IN THE 5-YEAR**  
 18 **PERIOD PRECEDING THE DATE HE OR SHE WAS HIRED.**

19 **(ii) HE OR SHE MEETS THE QUALIFICATIONS DESCRIBED IN SECTION**  
 20 **6(E) AND (I).**

21 **(iii) HE OR SHE HAS AT LEAST AN EIGHTH-GRADE EDUCATION OR ITS**  
 22 **EQUIVALENT.**

23 **(B) IF THE INDIVIDUAL IS HIRED BY THE LICENSEE AFTER MARCH 28,**  
 24 **2001 AND ON OR BEFORE JUNE 21, 2002, ALL OF THE FOLLOWING:**

25 **(i) HE OR SHE HAS NOT BEEN NOT CONVICTED OF A FELONY.**

26 **(ii) HE OR SHE MEETS THE QUALIFICATIONS DESCRIBED IN SECTION**  
 27 **6(E), (I), AND (J).**

1           (iii) HE OR SHE HAS AT LEAST AN EIGHTH-GRADE EDUCATION OR ITS  
2 EQUIVALENT.

3           (C) IF THE INDIVIDUAL IS HIRED BY THE LICENSEE AFTER JUNE 21,  
4 2002 AND ON OR BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
5 ADDED SUBDIVISION (D), ALL OF THE FOLLOWING APPLY:

6           (i) HE OR SHE WAS NOT CONVICTED OF A FELONY.

7           (ii) HE OR SHE MEETS THE QUALIFICATIONS DESCRIBED IN SECTION  
8 6(B), (E), (I), AND (J).

9           (D) IF THE INDIVIDUAL IS HIRED BY THE LICENSEE AFTER THE  
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION,  
11 ALL OF THE FOLLOWING APPLY:

12           (i) HE OR SHE WAS NOT CONVICTED OF A FELONY.

13           (ii) HE OR SHE MEETS THE QUALIFICATIONS DESCRIBED IN SECTION  
14 6(B), (E), (F), (I), AND (J).

15           (3) A licensee shall keep and maintain in this state adequate  
16 and complete personnel information on all ~~persons employed by him~~  
17 ~~or her. A~~ OF ITS EMPLOYEES. A LICENSEE SHALL FILE A complete  
18 employee roster in a manner described by the department shall be  
19 filed with the department by each licensee on a quarterly basis, -  
20 ~~The rosters must be filed with~~ IN A MANNER DETERMINED BY the  
21 department, by April 15, July 15, October 15, and January 15 OF  
22 EACH YEAR for the preceding CALENDAR quarter. Failure to submit AN  
23 accurate ~~rosters~~ ROSTER is cause for suspension of ~~the~~ A license. A  
24 THE DEPARTMENT SHALL NOT PROCESS A renewal application ~~shall not be~~  
25 processed if the DEPARTMENT HAS NOT RECEIVED A quarterly roster has  
26 not been received for each quarter of the preceding 2-year license  
27 period.

(4) If a licensee falsely states or represents that ~~a person~~  
**AN INDIVIDUAL** is or has been in ~~his or her~~ **THE LICENSEE'S** employ,  
 the false statement or representation is sufficient cause for the  
 revocation of the license.

(5) ~~A person~~ **AN INDIVIDUAL** shall not falsely state or  
 represent that he or she is an agent of a ~~licensed security alarm~~  
~~system contractor,~~ **LICENSEE OR AN AGENT OF A** private security  
 police officer, ~~OR~~ private college security force officer. ~~or~~  
~~private security guard.~~ ~~A person~~ **AN INDIVIDUAL** who violates this  
 subsection is guilty of a misdemeanor punishable by imprisonment  
 for not more than 93 days or a fine of not more than \$500.00, or  
 both.

Sec. 18. (1) A licensee shall not knowingly employ ~~any person~~  
~~who fails to~~ **AN INDIVIDUAL WHO DOES NOT** meet the requirements of  
 section 17.

(2) ~~The~~ **A** licensee shall cause fingerprints to be taken of  
**HIMSELF OR HERSELF, IF THE LICENSEE IS AN INDIVIDUAL; OF THE**  
**PRINCIPAL LICENSE HOLDER IF THE LICENSEE IS NOT AN INDIVIDUAL, AND**  
**OF** all prospective employees ~~who are~~ **IT INTENDS TO HIRE AS** direct  
 providers of the ~~security business, which fingerprints shall be~~  
**LICENSEE'S SECURITY SERVICES. THE LICENSEE SHALL ENSURE THAT THOSE**  
**FINGERPRINTS ARE** submitted to the department of state police and  
 the ~~federal bureau of investigation~~ **FEDERAL BUREAU OF INVESTIGATION**  
 for a state and national criminal history background check, ~~The~~  
~~fingerprints shall be~~ accompanied by a fingerprint processing fee  
 in the amount ~~prescribed by~~ **REQUIRED UNDER** section 3 of 1935 PA  
 120, MCL 28.273, ~~as well as~~ **AND** any fees imposed by the ~~federal~~

1 ~~bureau of investigation.~~ **FEDERAL BUREAU OF INVESTIGATION. THE**  
 2 **LICENSEE SHALL OBTAIN A COMPLETE AND SIGNED EMPLOYMENT APPLICATION**  
 3 **FROM EACH INDIVIDUAL FOR WHOM A CRIMINAL HISTORY BACKGROUND CHECK**  
 4 **IS REQUESTED AND CONDUCTED. THE LICENSEE SHALL RETAIN EACH**  
 5 **EMPLOYMENT APPLICATION FOR AT LEAST 1 YEAR FROM THE DATE THE**  
 6 **LICENSEE OBTAINS IT AND PROVIDE A COPY OF IT TO THE DEPARTMENT ON**  
 7 **REQUEST. THE LICENSEE SHALL ENSURE THAT ALL COMPLETED FINGERPRINT**  
 8 **BACKGROUND CHECK REQUEST FORMS ARE SUBMITTED TO THE DEPARTMENT**  
 9 **AFTER FINGERPRINTING IS COMPLETED. The DEPARTMENT SHALL USE THE**  
 10 **results of the STATE CRIMINAL HISTORY BACKGROUND CHECK, AND THE**  
 11 **national criminal history background check as returned by the**  
 12 ~~federal bureau of investigation~~ **FEDERAL BUREAU OF INVESTIGATION** to  
 13 the department of state police, ~~shall be used by the department to~~  
 14 make a fitness determination. A licensee shall not employ a ~~person~~  
 15 ~~who is~~ **AN INDIVIDUAL AS** a direct provider of the ~~ITS~~ security  
 16 ~~business~~ **SERVICES** before submitting **THAT INDIVIDUAL'S** fingerprints  
 17 to the department of state police.

18 (3) ~~The~~ **IF THE TAKING OF** fingerprints **IS** required ~~to be taken~~  
 19 under subsection (2), ~~may be taken by a~~ law enforcement agency or  
 20 any other person determined by the department of state police to be  
 21 qualified ~~to~~ **MAY** take **THOSE** fingerprints. If a licensee takes the  
 22 fingerprints, that licensee ~~shall~~ **MUST FIRST** obtain training in  
 23 taking fingerprints from the department of state police or a law  
 24 enforcement agency or other person ~~determined qualified by~~ **THAT** the  
 25 department of state police **DETERMINES IS QUALIFIED TO TAKE**  
 26 **FINGERPRINTS.**

27 (4) **THE DEPARTMENT OF STATE POLICE SHALL STORE AND MAINTAIN**

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

11 (5) ~~(4)~~ A licensee ~~shall~~ **MAY SUBMIT AN ELECTRONIC** request TO  
12 the department of state police ~~to conduct~~ **FOR a PROVISIONAL**  
13 background check of ~~each~~ **A prospective employee who is** **WHOM THE**  
14 **LICENSEE INTENDS TO HIRE AS** a direct provider of ~~the security~~  
15 ~~business~~ **ITS SECURITY SERVICES** based ~~upon~~ **ON** a name check. The  
16 licensee shall obtain a complete and signed employment application  
17 for ~~all individuals~~ **EACH INDIVIDUAL** for whom a name check is  
18 requested and conducted. The **LICENSEE SHALL RETAIN EACH** employment  
19 application ~~shall be retained~~ for at least 1 year from the date of  
20 its submission. The department of state police shall conduct the  
21 **PROVISIONAL** background check ~~upon a written,~~ **WITHIN 3 DAYS AFTER IT**  
22 **RECEIVES THE** electronic ~~, or telephonic request of~~ **FROM** a licensee  
23 accompanied by a fee ~~of \$15.00. The background check shall be~~  
24 ~~conducted not later than 3 days after the date a written request is~~  
25 ~~made and not later than 24 hours after a telephonic or electronic~~  
26 ~~request is made. Provisional~~ **IN THE AMOUNT REQUIRED UNDER SECTION 3**  
27 **OF 1935 PA 120, MCL 28.273. A LICENSEE MAY EMPLOY AN INDIVIDUAL WHO**

1 **RECEIVES PROVISIONAL** clearance based on the name check ~~shall allow~~  
 2 ~~the employee to be employed as~~ a security guard, for a period of  
 3 time ~~not to~~ **THAT DOES NOT** exceed 90 days, pending final clearance  
 4 based ~~upon a~~ **ON THE** fingerprint check ~~as provided for in~~ **REQUIRED**  
 5 **UNDER** subsection (2). If an approval is once denied, **THE LICENSEE**  
 6 **MAY NOT AGAIN EMPLOY** that individual ~~may not again be employed as a~~  
 7 direct provider of ~~the security business by the submitting licensee~~  
 8 ~~except upon receipt of~~ **ITS SECURITY SERVICES UNLESS THE LICENSEE**  
 9 **RECEIVES** an approved fingerprint clearance **FOR THAT INDIVIDUAL**. A  
 10 licensee or employee of a licensee who uses a **PROVISIONAL** name  
 11 check or results of a **PROVISIONAL** name check for purposes other  
 12 than prospective employment is guilty of a misdemeanor punishable  
 13 by imprisonment for not more than 93 days, a fine of not more than  
 14 \$1,000.00, or both.

15 (6) ~~(5)~~ The department of state police may enter into an  
 16 agreement with a licensee for the payment of fees imposed ~~pursuant~~  
 17 ~~to~~ **UNDER** this act.

18 (7) ~~(6)~~ Any employee who, ~~upon~~ **ON** demand, fails to surrender  
 19 to the licensee his or her identification card and any other  
 20 property issued to him or her for use in connection with his or her  
 21 employer's business is guilty of a misdemeanor.

22 Sec. 22. (1) Every advertisement by a licensee soliciting or  
 23 advertising for business shall contain ~~his or her~~ **THE** business name  
 24 and address **OF THE LICENSEE** as they appear in the records of the  
 25 department.

26 (2) ~~A licensee shall, upon~~ **ON** notice from and order of the  
 27 department, **A LICENSEE SHALL** discontinue any advertising or the use

1 of any advertisement, seal, or card that, in the opinion of the  
 2 department, may tend to mislead the public. Failure to comply with  
 3 ~~any such~~ **AN** order of the department **DESCRIBED IN THIS SECTION** is  
 4 cause for revocation or suspension of the license.

5 (3) ~~A-IF A~~ person **THAT IS** not licensed under this act ~~who~~  
 6 advertises ~~his or her~~ **THE PERSON'S** business to be that of a private  
 7 ~~security guard or security alarm~~ **SYSTEM CONTRACTOR OR** agency,  
 8 irrespective of the name or title actually used, **THAT PERSON** is  
 9 guilty of a misdemeanor punishable by imprisonment for not more  
 10 than 93 days, a fine of not more than \$1,000.00, or both.

11 Sec. 25. (1) Subject to section ~~9(5), 9(8),~~ **THE DEPARTMENT MAY**  
 12 **RENEW** a license granted under this act ~~may be renewed by the~~  
 13 ~~department upon~~ **IF THE LICENSEE FILES AN** application, ~~by the~~  
 14 ~~licensee, filing a renewal surety bond in the amount specified in~~  
 15 **THE PROOF OF INSURANCE REQUIRED UNDER** section 9, and ~~the payment of~~  
 16 **PAYS** a renewal fee of ~~\$100.00 if a sole proprietorship,~~ **\$250.00 FOR**  
 17 **A LICENSE AS A SECURITY ALARM SYSTEM CONTRACTOR AND** \$150.00 ~~if a~~  
 18 ~~private security police organization, a private college police~~  
 19 ~~force, or a private security guard firm, company, partnership,~~  
 20 ~~limited liability company, or corporation, or \$250.00 if a security~~  
 21 ~~alarm system contractor.~~ **FOR ANY OTHER LICENSE.**

22 (2) ~~A- THE DATE OF ISSUANCE OF A~~ renewal license ~~shall be dated~~  
 23 ~~as of~~ **UNDER THIS ACT IS** the expiration date of the previously  
 24 existing license. ~~For the renewal of~~ **TO RENEW** a license, the  
 25 licensee shall submit an application in a form provided by the  
 26 department. The department may defer the renewal of license if  
 27 there is an uninvestigated outstanding criminal complaint pending



1 against the licensee or a criminal case pending in any court  
2 against the licensee.

3 (3) A person ~~who~~**THAT** fails to renew a license on or before  
4 the expiration date shall not engage in activities regulated by  
5 this act. A person ~~who~~**THAT** fails to renew a license on or before  
6 the expiration date may, within 30 days after the expiration date,  
7 renew the license by payment of the required license fee and a late  
8 renewal fee of \$25.00. An applicant who fails to renew within the  
9 30-day period must reapply for a license under section 7.

10 (4) ~~The fees collected by the department under this section~~  
11 ~~shall be deposited~~**SHALL FORWARD ALL FEES IT COLLECTS UNDER THIS**  
12 **SECTION TO THE STATE TREASURER FOR DEPOSIT** into the security  
13 business fund created in section ~~9(9)~~**9(12)**.

14 Sec. 26. (1) ~~Upon the death of~~**IF** an individual ~~licensed under~~  
15 ~~this act, the business with which the decedent was connected may be~~  
16 ~~carried on for a period of 90 days by the following:~~ (a) ~~In the~~  
17 ~~case of an individual licensee, the surviving spouse, or if there~~  
18 ~~be none, the executor or administrator of the estate of the~~  
19 ~~decedent;~~ (b) ~~In the case of a partner, the surviving partners;~~ (c)  
20 ~~In the case of an officer of a firm, company, association,~~  
21 ~~organization, or corporation, the officers thereof.~~**WHO IS A**  
22 **LICENSEE DIES, THE LICENSE IS AUTOMATICALLY SUSPENDED. HOWEVER, ON**  
23 **REQUEST, THE DEPARTMENT MAY PERMIT THE SURVIVING SPOUSE OF THE**  
24 **LICENSEE, OR THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE**  
25 **DECEDENT IF THERE IS NO SURVIVING SPOUSE, TO CARRY ON THE LICENSED**  
26 **ACTIVITY FOR A PERIOD OF 90 DAYS AFTER THE DATE OF THE DECEDENT'S**  
27 **DEATH.**

(2) Within 10 days following the death of a licensee, the department shall be notified in writing. The notification shall state the name of the person legally authorized to carry on the business of the ~~deceased~~. **DECEDENT UNDER SUBSECTION (1).**

(3) ~~Upon the authorization of~~ **IF AUTHORIZED BY** the department, the business **OF A LICENSEE DESCRIBED IN SUBSECTION (1)** may be carried on for a ~~further~~ **LONGER** period of time ~~when~~ **THAN THE 90-DAY PERIOD DESCRIBED IN SUBSECTION (1) IF** necessary to complete any business commitments pending ~~at the death of~~ **WHEN** the decedent **DIED.**

(4) ~~Nothing in this~~ **THIS** section ~~shall be construed to~~ **DOES NOT** restrict the ~~A~~ sale of an ~~A~~ **SECURITY** alarm system business or a ~~private security guard agency, if~~ **A PRIVATE SECURITY POLICE FORCE BUSINESS IF THE LICENSEE DIES AND** the ~~vendee~~ **BUYER** qualifies for a license **AS A SECURITY ALARM SYSTEM CONTRACTOR OR PRIVATE SECURITY POLICE FORCE** under ~~the provisions of~~ this act.

Sec. 29. (1) The ~~licensure~~ **DEPARTMENT OF STATE POLICE SHALL ADMINISTER THE LICENSING** of private security police and private college security forces. ~~shall be administered by the department of state police.~~ The application, qualification, and enforcement provisions under this act apply to private security police and private college security forces except that the ~~administration of~~ **DEPARTMENT OF STATE POLICE SHALL ADMINISTER** those provisions, ~~shall be performed by,~~ and the ~~payment of the~~ appropriate fees shall be paid to ~~the~~ department of state police. The director of the department **OF LICENSING AND REGULATORY AFFAIRS** may jointly promulgate rules with the department of state police under the

1 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
 2 24.328, to facilitate the bifurcation of authority described in  
 3 this subsection.

4 (2) This act does not require licensing of any private  
 5 security guards **OR OFFICERS** employed for the purpose of protecting  
 6 the property and employees of their employer and generally  
 7 maintaining security for their employer. However, any person ~~7~~  
 8 ~~firm, limited liability company, business organization, OR~~  
 9 educational institution ~~, or corporation maintaining~~ **THAT MAINTAINS**  
 10 a private security police ~~organization~~ **FORCE** or a private college  
 11 security force may voluntarily apply for licensure under this act.  
 12 ~~When~~

13 (3) **IF** a private security police **FORCE** employer or private  
 14 college security force employer ~~as~~ described in this section  
 15 provides ~~the~~ **AN** employee with a pistol for the purpose of  
 16 protecting the property of the employer, the pistol ~~shall be~~ **IS**  
 17 considered the property of the employer and the employer shall  
 18 retain custody of the pistol, except during the actual working  
 19 hours of the employee. ~~All such private security people shall be~~

20 (4) **AN EMPLOYEE OF A PRIVATE COLLEGE SECURITY FORCE OR PRIVATE**  
 21 **SECURITY POLICE FORCE IS** subject to the provisions of sections  
 22 17(1) and 19(1).

23 Sec. 31. An applicant for licensure as private security police  
 24 **FORCE** under this act, ~~under section 29, or the employee~~ **PRINCIPAL**  
 25 **LICENSE HOLDER** of the applicant, **IF APPLICABLE, AND THE EMPLOYEES**  
 26 **OF THE PRIVATE SECURITY POLICE FORCE** shall comply with **ANY** training  
 27 requirements ~~as~~ prescribed by the department under this act.

1       Sec. 33. A **PERSON SHALL NOT INSTALL OR OPERATE A** security  
2 alarm system ~~may not be installed or operated~~ in this state unless  
3 the security alarm system is ~~either installed by a~~ **1 OF THE**  
4 **FOLLOWING:**

5       **(A) A** security alarm system contractor licensed under this  
6 act. ~~or is installed by the~~

7       **(B) A SYSTEM PROVIDER, AS DEFINED IN SECTION 2 OF THE SECURITY**  
8 **ALARM SYSTEMS ACT, 2012 PA 580, MCL 338.2182.**

9       **(C) THE** owner or occupant of a residence in his or her  
10 residence.

11       Enacting section 1. Section 19 of the private security  
12 business and security alarm act, 1968 PA 330, MCL 338.1069, is  
13 repealed.

14       Enacting section 2. This amendatory act takes effect July 1,  
15 2016.

16       Enacting section 3. This amendatory act does not take effect  
17 unless all of the following bills of the 98th Legislature are  
18 enacted into law:

19       (a) Senate Bill No. 161.

20       (b) Senate Bill No. 164.

21       (c) House Bill No. 4253.

22       (d) House Bill No. 4254.

23       (e) House Bill No. 4255.