

**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
7 contexts, board means each agency created under this act.

1 (3) ~~(2)~~ "Censure" means an expression of disapproval of a
 2 licensee's or registrant's professional conduct. ~~, which~~ **THE TERM**
 3 **INCLUDES AN EXPRESSION OF DISAPPROVAL OF PROFESSIONAL** conduct **THAT**
 4 is not necessarily a violation of this act or a rule promulgated or
 5 an order issued under this act.

6 (4) ~~(3)~~ "Competence" means a degree of expertise ~~which~~ **THAT**
 7 enables a person to engage in an occupation at a level ~~which~~ **THAT**
 8 meets or exceeds minimal standards of acceptable practice for the
 9 occupation.

10 (5) ~~(4)~~ "Complaint" means an oral or written grievance.

11 (6) ~~(5)~~ "Controlled substance" means ~~a drug, substance, or~~
 12 ~~immediate precursor as set forth in section 7212, 7214, 7216, 7218,~~
 13 ~~or 7220 of the public health code, Act No. 368 of the Public Acts~~
 14 ~~of 1978, being sections 333.7212, 333.7214, 333.7216, 333.7218, and~~
 15 ~~333.7220 of the Michigan Compiled Laws, not excluded pursuant to~~
 16 ~~section 7227 of Act No. 368 of the Public Acts of 1978, being~~
 17 ~~section 333.7227 of the Michigan Compiled Laws.~~ **THAT TERM AS DEFINED**
 18 **IN SECTION 7104 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL**
 19 **333.7104.**

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

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

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

15 **ARTICLE 14A**

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

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

19 **(i) DISHONESTY OR FRAUD.**

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

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

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

27 **(v) TWO OR MORE ALCOHOL-RELATED OFFENSES.**

Senate Bill No. 161 as amended March 17, 2015

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

3 (vii) AN ASSAULT.

4 <<(viii) CRIMINAL SEXUAL CONDUCT.>>

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

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

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

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

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

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

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

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

27 (i) SECURITY GUARDS.

(ii) PATROL SERVICE.

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

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

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

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

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

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

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

22 (B) GRADUATED FROM HIGH SCHOOL OR PASSED THE GENERAL
23 EDUCATIONAL DEVELOPMENT (GED) TEST OR ANOTHER GRADUATE EQUIVALENCY
24 EXAMINATION APPROVED BY THE DEPARTMENT.

25 (C) IS OF GOOD MORAL CHARACTER.

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

27 (i) A FELONY.

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

3 (E) IF HE OR SHE SERVED IN THE ARMED FORCES, WAS SEPARATED
4 FROM THAT SERVICE, AND PROVIDES A FORM DD214 OR DD215 OR ANY OTHER
5 FORM SATISFACTORY TO THE DEPARTMENT THAT DEMONSTRATES THAT HE OR
6 SHE WAS SEPARATED FROM THAT SERVICE, WITH AN HONORABLE CHARACTER OF
7 SERVICE OR UNDER HONORABLE CONDITIONS (GENERAL) CHARACTER OF
8 SERVICE.

9 (F) MEETS ANY OF THE FOLLOWING:

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

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

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

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

26 (v) SERVED IN THE ARMED FORCES; WHILE SERVING IN THE ARMED
27 FORCES, ACTED AS A MILITARY POLICE OFFICER OR IN AN EQUIVALENT JOB

1 CLASSIFICATION FOR AT LEAST 2 YEARS; WAS SEPARATED FROM THAT
2 SERVICE, AND PROVIDES A FORM DD214 OR DD215 OR ANY OTHER FORM
3 SATISFACTORY TO THE DEPARTMENT THAT DEMONSTRATES THAT HE OR SHE WAS
4 SEPARATED FROM THAT SERVICE, WITH AN HONORABLE CHARACTER OF SERVICE
5 OR UNDER HONORABLE CONDITIONS (GENERAL) CHARACTER OF SERVICE; AND
6 HAS, AND PROVIDES WITH HIS OR HER APPLICATION AN AFFIDAVIT SIGNED
7 BY A COMMANDING OFFICER, SUPERVISOR, OR MILITARY SUPERIOR WITH
8 DIRECT KNOWLEDGE OF THE APPLICANT'S SERVICE THAT HE OR SHE HAS,
9 ENTRY-LEVEL EXPERIENCE IN OR BASIC KNOWLEDGE OF EACH OF THE
10 FOLLOWING:

11 (A) ENFORCING RULES, REGULATIONS, AND GUIDELINES.

12 (B) PROVIDING SECURITY AND PHYSICAL PROTECTION.

13 (C) AREA AND SITE SECURITY OPERATIONS.

14 (D) OVERSEEING PRISONERS AND CORRECTIONAL FACILITIES.

15 (E) RECONNAISSANCE AND SURVEILLANCE.

16 (G) HAS PROVIDED THE DEPARTMENT THE PROOF OF INSURANCE
17 REQUIRED UNDER SUBSECTION (3).

18 (H) HAS NOT BEEN ADJUDGED INSANE, UNLESS HE OR SHE HAS BEEN
19 ADJUDGED RESTORED TO SANITY BY COURT ORDER.

20 (I) IS NOT SUBJECT TO ANY OUTSTANDING WARRANTS FOR HIS OR HER
21 ARREST.

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

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

26 (B) IF THE APPLICANT IS NOT THE SECURITY GUARD AGENCY, THE
27 SECURITY GUARD AGENCY'S NAME AND THE ADDRESS OF THE SECURITY GUARD

1 AGENCY'S PRINCIPAL PLACE OF BUSINESS.

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

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

8 (3) THE DEPARTMENT SHALL NOT ISSUE A LICENSE UNDER THIS
9 ARTICLE IF THE APPLICANT DOES NOT PROVIDE THE DEPARTMENT WITH
10 PROOF, IN THE FORM OF A CERTIFICATE OF INSURANCE, THAT IT HAS AND
11 MAINTAINS A POLICY OF LIABILITY INSURANCE THAT IS ISSUED BY AN
12 AUTHORIZED INSURER, AS DEFINED IN SECTION 108 OF THE INSURANCE CODE
13 OF 1956, 1956 PA 218, MCL 500.108; NAMES THIS STATE AS AN
14 ADDITIONAL INSURED; PROVIDES COVERAGE IN THE AMOUNT OF AT LEAST
15 \$400,000.00 PER OCCURRENCE; AND REQUIRES THE INSURER TO PROVIDE THE
16 DEPARTMENT WITH NOTICE OF CANCELLATION OF THE POLICY AT LEAST 30
17 DAYS BEFORE THE EFFECTIVE DATE OF THE CANCELLATION. A CERTIFICATE
18 OF INSURANCE REQUIRED UNDER THIS SUBSECTION MUST STATE THAT THE
19 POLICY MEETS ALL OF THESE REQUIREMENTS.

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

24 (5) IF A LICENSEE OPENS A BRANCH OFFICE, THE LICENSEE MUST
25 FIRST OBTAIN A LICENSE FOR THAT BRANCH OFFICE AND POST THAT LICENSE
26 IN A CONSPICUOUS PLACE IN THE BRANCH OFFICE.

27 SEC. 1427. A LICENSE ISSUED UNDER THIS ARTICLE IS VALID FOR 2

1 YEARS.

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

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

6 SEC. 1431. (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. SUBJECT TO
10 SUBSECTIONS (3), (4), AND (5), A LICENSEE MUST CONTINUOUSLY
11 MAINTAIN A DESIGNATED PRINCIPAL LICENSE HOLDER.

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

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

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

24 (B) PROVIDE TO THE DEPARTMENT THE NAME OF THAT INDIVIDUAL AND
25 ANY OTHER INFORMATION ABOUT THAT INDIVIDUAL THAT IS REASONABLY
26 REQUIRED BY THE DEPARTMENT.

27 (4) IF A LICENSEE DESIGNATING A DIFFERENT INDIVIDUAL AS ITS

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

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

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

19 (A) MEETS THE QUALIFICATIONS DESCRIBED IN SECTION 1425(1)(D),
20 (H), AND (I).

21 (B) MEETS EITHER OF THE FOLLOWING:

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

25 (ii) IS AT LEAST 21 YEARS OLD.

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

1 (3) A LICENSEE SHALL NOT FALSELY STATE OR REPRESENT THAT AN
2 INDIVIDUAL IS OR HAS BEEN IN THE LICENSEE'S EMPLOY. A LICENSEE THAT
3 VIOLATES THIS SUBSECTION IS SUBJECT TO THE PENALTIES UNDER ARTICLE
4 6.

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

9 (2) BEFORE A LICENSEE MAKES AN OFFER OF EMPLOYMENT TO AN
10 INDIVIDUAL, OR ENGAGES AN INDIVIDUAL AS A CONTRACTOR, TO PROVIDE
11 SERVICES AS A SECURITY GUARD DIRECTLY TO THE LICENSEE'S CUSTOMERS,
12 THE LICENSEE SHALL PERFORM A CRIMINAL HISTORY CHECK ON THAT
13 INDIVIDUAL USING ICHAT, OR OBTAIN AN EQUIVALENT CHECK ON THAT
14 INDIVIDUAL FROM HIS OR HER STATE OR PROVINCE OF RESIDENCE. IF THE
15 RESULTS OF THE ICHAT SEARCH OR THE RESULTS OF THE EQUIVALENT CHECK
16 REVEAL THAT HE OR SHE HAS BEEN CONVICTED OF A FELONY OR A
17 DISQUALIFYING MISDEMEANOR, THE LICENSEE SHALL NOT MAKE AN OFFER OF
18 EMPLOYMENT TO, OR ENGAGE, THAT INDIVIDUAL TO PROVIDE SERVICES AS A
19 SECURITY GUARD DIRECTLY TO THE LICENSEE'S CUSTOMERS.

20 (3) WITHIN 180 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY
21 ACT THAT ADDED THIS ARTICLE, A LICENSEE SHALL PERFORM A CRIMINAL
22 HISTORY CHECK USING ICHAT, OR OBTAIN AN EQUIVALENT CHECK FROM HIS
23 OR HER STATE OR PROVINCE OF RESIDENCE, ON EACH INDIVIDUAL EMPLOYED
24 OR ENGAGED BY, THE LICENSEE TO PROVIDE SERVICES AS A SECURITY GUARD
25 DIRECTLY TO THE LICENSEE'S CUSTOMERS. IF THE RESULTS OF THE ICHAT
26 SEARCH OR THE RESULTS OF THE EQUIVALENT CHECK REVEAL THAT THE
27 INDIVIDUAL HAS BEEN CONVICTED OF A FELONY OR A DISQUALIFYING

1 MISDEMEANOR, THE LICENSEE SHALL NOT CONTINUE TO EMPLOY OR ENGAGE
2 THAT INDIVIDUAL.

3 (4) AS USED IN THIS SECTION, "ICHAT" MEANS THE INTERNET
4 CRIMINAL HISTORY ACCESS TOOL MAINTAINED BY THE DEPARTMENT OF STATE
5 POLICE.

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

21 (2) A LICENSEE OR EMPLOYEE OF A LICENSEE MAY WEAR A BADGE OR
22 SHIELD AS PART OF A SECURITY GUARD UNIFORM. A BADGE OR SHIELD SHALL
23 NOT BE SIMILAR IN SHAPE TO THAT OF ANY LAW ENFORCEMENT OFFICER OF
24 THE FEDERAL GOVERNMENT, THIS STATE, OR A POLITICAL SUBDIVISION OF
25 THIS STATE. A BADGE OR SHIELD MAY CONTAIN THE FLAG OF THE UNITED
26 STATES OF AMERICA OR THE SCALE OF JUSTICE. A UNIFORM MAY INCLUDE
27 DESIGNATIONS OF RANK, EMBLEMS, OR OTHER GARNISHMENTS THAT MAY BE

1 ANY COLOR, EXCEPT THAT THEY SHALL NOT BEAR THE SEAL OF THE STATE OF
2 MICHIGAN.

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

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

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

14 (4) IN INCLEMENT WEATHER, A LICENSEE OR EMPLOYEE MAY WEAR A
15 VINYL RAINCOAT OVER A UNIFORM DESCRIBED IN THIS SECTION. A LICENSEE
16 OR EMPLOYEE MAY WEAR A UNIFORM HAT OR CAP WITH THE UNIFORM. THE HAT
17 OR CAP MAY BEAR AN EMBLEM THAT DOES NOT INCLUDE THE STATE OF
18 MICHIGAN SEAL.

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

24 SEC. 1439. (1) A LICENSEE THAT EMPLOYS OR ENGAGES AN
25 INDIVIDUAL TO PROVIDE SERVICES AS A SECURITY GUARD DIRECTLY TO THE
26 LICENSEE'S CUSTOMERS SHALL ENSURE THAT ALL OF THE FOLLOWING ARE
27 MET:

1 (A) BEFORE HE OR SHE ACTS AS A SECURITY GUARD WITHOUT DIRECT
2 SUPERVISION, THE INDIVIDUAL COMPLETES AT LEAST 16 HOURS OF ON-THE-
3 JOB, SITE-SPECIFIC TRAINING UNDER THE IMMEDIATE SUPERVISION OF AN
4 EXPERIENCED SUPERVISOR.

5 (B) IN THE FIRST 90 DAYS OF HIS OR HER EMPLOYMENT, THE
6 INDIVIDUAL COMPLETES AT LEAST 16 HOURS OF CLASSROOM TRAINING
7 SELECTED BY THE LICENSEE.

8 (C) BEFORE HE OR SHE IS AUTHORIZED BY THE LICENSEE TO USE A
9 WEAPON OR RESTRAINT DEVICE WHILE ON DUTY, HE OR SHE COMPLETES THE
10 FOLLOWING REQUIRED TRAINING:

11 (i) FOR AN AEROSOL SPRAY OR CONDUCTED ENERGY DEVICE, ANY
12 MANUFACTURER-AUTHORIZED CERTIFICATION IN THE USE OF THE DEVICE FOR
13 SECURITY OR LAW ENFORCEMENT PERSONNEL. THE LICENSEE SHALL ENSURE
14 THAT THE INDIVIDUAL MAINTAINS THAT CERTIFICATION AT ALL TIMES WHILE
15 HE OR SHE IS EMPLOYED OR ENGAGED BY THE LICENSEE TO PROVIDE
16 SERVICES AS A SECURITY GUARD.

17 (ii) FOR A TACTICAL BATON, 4 CLASS HOURS OF TRAINING SELECTED
18 BY THE LICENSEE.

19 (iii) FOR A RESTRAINT DEVICE, 2 CLASS HOURS OF TRAINING SELECTED
20 BY THE LICENSEE.

21 (iv) FOR A FIREARM, 4 HOURS OF SPECIALIZED TRAINING IN THE USE
22 OF A FIREARM FOR SECURITY OR LAW ENFORCEMENT PERSONNEL SELECTED BY
23 THE LICENSEE. IN ADDITION, THE LICENSEE SHALL ENSURE THAT THE
24 INDIVIDUAL COMPLETES AN ADDITIONAL 4 HOURS OF THAT SPECIALIZED
25 TRAINING ANNUALLY.

26 (D) EVERY 2 YEARS, THE INDIVIDUAL COMPLETES AT LEAST 4 HOURS
27 OF CONTINUING CLASSROOM TRAINING IN THE SUBJECTS DESCRIBED IN

1 SUBSECTION (2) (A) TO (C); IN THE USE OF A TACTICAL BATON IF THE
2 LICENSEE HAS AUTHORIZED HIM OR HER TO USE A TACTICAL BATON WHILE ON
3 DUTY; AND IN THE USE OF A RESTRAINT DEVICE IF THE LICENSEE HAS
4 AUTHORIZED HIM OR HER TO USE A RESTRAINT DEVICE WHILE ON DUTY.

5 (2) THE CLASSROOM TRAINING DESCRIBED IN SUBSECTION (1) (B)
6 SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING SUBJECTS:

7 (A) A MINIMUM OF 6 HOURS OF COMPANY AND POSITION ORIENTATION
8 THAT INCLUDES MINIMUM UNIFORM REQUIREMENTS AND APPEARANCE; LIMITS
9 OF AUTHORITY AND EMPLOYMENT; LEGAL ASPECTS OF THE USE OF FORCE AND
10 THE POWER TO ARREST; PERSONS OR AUTHORITIES TO BE CONTACTED IN
11 EMERGENCIES OR UNUSUAL OCCURRENCES; LICENSEE OR PARENT COMPANY
12 STRUCTURE THAT AFFECTS GUARDS' DUTIES; GUARD COURTESY AND PUBLIC
13 DEMEANOR; AND REPORT WRITING.

14 (B) A MINIMUM OF 8 HOURS INVOLVING DEFENSIVE TACTICS THAT
15 INCLUDE SELF-DEFENSE; CORRECT USE OF A RESTRAINT DEVICE IF THE
16 LICENSEE HAS OR INTENDS TO AUTHORIZE HIM OR HER TO USE A RESTRAINT
17 DEVICE WHILE ON DUTY; PRESSURE POINT TRAINING; DETECTION OF
18 SUBSTANCE ABUSE AND MENTAL ILLNESS; AND VERBAL AND SENSITIVITY
19 TRAINING.

20 (C) A MINIMUM OF 2 HOURS REGARDING EMERGENCY PREPAREDNESS THAT
21 INCLUDES THE GENERAL RESPONSIBILITIES PERTAINING TO MEDICAL
22 EMERGENCIES AND RESPONSE; FIRST AID AND CARDIOPULMONARY
23 RESUSCITATION, AND FOREIGN BODY OBSTRUCTION OF THE AIRWAY; CROWD
24 CONTROL; EXPOSURE TO BODILY FLUID; FIRE PREVENTION AND SAFETY; BOMB
25 THREATS; SEARCHES; WEATHER EMERGENCIES; CHEMICAL SPILLS, LEAKS, AND
26 RELATED WASTE; AND EVACUATION PROCEDURES.

27 (3) A LICENSEE SHALL PREPARE AND RETAIN A RECORD OF AN

1 INDIVIDUAL'S COMPLETION OF THE TRAINING DESCRIBED IN THIS SECTION
2 AND MAKE THAT RECORD AVAILABLE TO THE DEPARTMENT ON REQUEST.

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

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

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

19 (3) R 28.4001 TO R 28.4007 OF THE MICHIGAN ADMINISTRATIVE CODE
20 ARE RESCINDED.

21 Sec. 2404b. (1) Beginning June 1, 2008, an applicant for
22 initial licensure either as a residential builder or as a
23 residential maintenance and alteration contractor must successfully
24 complete the prelicensure course of study requirements under this
25 subsection to obtain a license unless he or she is exempt from
26 those requirements under this section. All of the following apply
27 for purposes of this subsection:

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

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

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

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

23 (c) Unless he or she is exempt under subdivision (a) or (b),
24 an applicant shall not receive an initial license under this act
25 unless he or she successfully completed 60 hours of approved
26 prelicensure courses that include at least 6 hours of courses in
27 each of the following areas of competency:

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

2 (ii) Design and building science.

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

4 (iv) Marketing and sales.

5 (v) Project management and scheduling.

6 (vi) The current Michigan residential code.

7 (vii) Construction safety standards promulgated under the
8 Michigan occupational safety and health act, 1974 PA 154, MCL
9 408.1001 to 408.1094.

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

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

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

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

25 (b) If an individual licensee described in subdivision (a) was
26 exempt from the prelicensure course requirements of subsection (1)
27 under subsection (1)(b) when he or she obtained his or her initial

1 license as a residential builder or residential maintenance and
2 alteration contractor, the hours of activities that he or she must
3 complete in the first year of his or her first 3-year license cycle
4 under subdivision (a) must include successful completion of at
5 least 1 hour of codes, 1 hour of safety, and 1 hour of legal issues
6 described in this subsection.

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

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

26 (3) In addition to the requirements of subsection (2), if the
27 department has taken disciplinary action against a licensee for a

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

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

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

24 (6) The department shall promulgate rules to provide for the
25 following:

26 (a) Requirements other than those listed in subsection (4) for
27 determining that a course meets the minimum criteria for developing

1 and maintaining continuing competency.

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

7 (c) Acceptable distance learning.

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

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

23 (8) The department may audit a predetermined percentage of
24 licensees who renew in a year for compliance with the requirements
25 of this section. Failure to comply with the audit or the
26 requirements shall result in the investigation of a complaint
27 initiated by the department, and the licensee is subject to the

1 penalties prescribed in this act.

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

21 (10) An individual licensee who applied for and was designated
22 inactive under subsection (9) before ~~the effective date of this~~
23 ~~subsection~~ **SEPTEMBER 16, 2014** may remain in inactive status after
24 that ~~effective date~~ by complying with the requirements of
25 subsection (9). A licensee who remains in inactive status after ~~the~~
26 ~~effective date of this subsection~~ **SEPTEMBER 16, 2014** is exempt from
27 the continuing competency requirements of this section while he or

1 she remains in inactive status. A licensee may activate his or her
2 license by submitting an application to the department requesting
3 activation of the license. If his or her license is activated, the
4 licensee must complete at least 1 credit hour of activities that
5 demonstrate continuing competency for that calendar year.

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

10 (a) Served in the armed forces.

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

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

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

25 (12) If an applicant who otherwise meets the requirements of
26 subsection (11) does not have entry-level experience in or basic
27 knowledge of each of the areas of competency described in

1 subsection (1)(a) to (g), he or she may provide with his or her
2 application an affidavit signed by a commanding officer,
3 supervisor, or military superior with direct knowledge of the
4 applicant's service that states in which of those areas of
5 competency the applicant has entry-level experience or basic
6 knowledge, and the department may in its discretion grant the
7 applicant credit toward the 60-hour prelicensure education
8 requirement of subsection (1) based on that experience or
9 knowledge.

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

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

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

22 Enacting section 2. This amendatory act takes effect 90 days
23 after the date it is enacted into law.

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

27 (a) Senate Bill No. 162.

- 1 (b) Senate Bill No. 163.
- 2 (c) Senate Bill No. 164.