



**House  
Legislative  
Analysis  
Section**

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**LICENSING OF PRIVATE DETECTIVES**

**RECEIVED**

**APR 17 1989**

**House Bill 4273**

**Sponsor: Rep. Joseph Young, Jr.**  
**Committee: State Affairs**

**Mich. State Law Library**

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**A SUMMARY OF HOUSE BILL 4273 AS INTRODUCED 2-22-89**

House Bill 4273 would amend the Private Detective License Act to transfer the licensing authority for private detectives from the secretary of state to the Department of Licensing and Regulation, to delete archaic language, and to make general amendments to the act. Present law exempts attorneys from the licensing requirements of the act; the bill would amend the act to remove an attorney's employees from this exemption. Further, the bill would remove insurance adjustors from the list of those exempted from the act's licensing requirements.

Under the bill, a Board of Private Detective Agencies would be created within the Department of Licensing and Regulation to set policy for the department regarding the licensing of private detectives, competency reviews, and hearings on license suspensions or revocations. The board would consist of five members who were licensed under the act and appointed by the governor for four-year staggered terms. The per diem compensation of the board and the schedule for reimbursement of expenses would be established annually by the legislature. Board meetings would be subject to the Open Meetings Act and the Freedom of Information Act.

The bill would amend the act's present licensing requirements for a private detective, or private investigator. Among other conditions, the applicant would be required to be a resident of the state for at least one year immediately preceding the application date, and to satisfy one or more of the following requirements:

-- Have been engaged for not less than three years as a full-time investigative employee of a licensed detective.

-- Have been in the past employed as a full-time investigator or detective of a city, county or state government, or of the United States government for not less than three years.

-- Possess a bachelor's degree in criminal justice or other field applicable to a private investigator, as determined by the department, from an accredited university or college.

These requirements would take effect on the bill's effective date, and persons already licensed under the act would not have to meet the additional requirements until the time of license renewal.

Under the act, the approval of the prosecuting attorney and the sheriff of the county, and the chief of police of the city, village, or township in which the applicant's principal office is located are to be secured before an application may be processed. Under the bill, the officials would have ten days to respond after being notified of an application if they objected to a license being issued to an applicant. The act at present provides for a fee

of \$100 for an individual license, and \$200 for a company license. The bill would amend the act to provide for a single license fee of \$300. Applicants would also be required to post a bond with the department in the amount of \$10,000, rather than \$5,000 for an individual and \$10,000 for a firm, as at present. Licenses could be renewed upon payment of a \$200 renewal fee (rather than \$50 for an individual and \$200 for a firm) and filing of a \$10,000 renewal surety bond. The requirement that renewal applications be approved by local law enforcement officials would be deleted. Temporary licenses could be issued to an agency should a licensee become incapacitated, or leave the agency, and a temporary license would be required in order to conduct business in cases where a license had expired.

At present, under the act, licensees are required to have prospective employees' fingerprints processed by local law enforcement agencies. The bill would amend the act to require instead that fingerprints be submitted to the department. Under the bill, the licensee would receive any criminal history regarding the fingerprints, and prospective employees would be allowed to work for the licensee during the time required for the department to process them. The department would not be required to compile or possess a list of the employees, but would be required to make available, at a reasonable fee, a computer printout of all information concerning persons licensed under the act to anyone who made a request.

Under the act, an employee who refuses to surrender a license identification card and any other property issued in connection with an employer's business is guilty of a misdemeanor. Under the bill, this would also disqualify a person from licensure and would be considered grounds for revocation of a license. Licensees or their employees, who, while conducting an investigation, misrepresented themselves as law enforcement agents or as government employees, would also be guilty of a misdemeanor under the bill, and the violation could be considered grounds for dismissal or refusal of employment.

The bill would also require that licenses be posted in the branch office or subagency of a licensee, and that each advertisement of a licensee contain the main office, or branch office address, or both, if a licensee had more than one location. The department could revoke a license, after notice and a hearing, if it determined that the licensee was not of good moral character or was guilty of certain violations, including working without a license.

MCL 338.822 et al.